UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/2000/208
10 March 2000

ORIGINAL: ENGLISH

REPORT OF THE SECRETARY-GENERAL PURSUANT TO PARAGRAPHS 28 AND 30 OF RESOLUTION 1284 (1999) AND PARAGRAPH 5 OF RESOLUTION 1281 (1999)

I. INTRODUCTION

1. The present report is submitted to the Security Council pursuant to paragraphs 28 and 30 of its resolution 1284 (1999) of 17 December 1999 and paragraph 5 of its resolution 1281 (1999) of 10 December 1999. It may be recalled that the Council, in a letter dated 28 January 2000 (S/2000/64), had endorsed my proposal to consolidate a number of reporting requirements under the above resolutions into one report (see S/2000/22, para. 22).

2. In paragraph 28 of resolution 1284 (1999), the Security Council requested the Secretary-General to report on the progress made in meeting the humanitarian needs of the Iraqi people and on the revenues necessary to meet those needs, including recommendations on necessary additions to the current allocation for oil spare parts and equipment, on the basis of a comprehensive survey of the condition of the Iraqi oil production sector.

3. In paragraph 30 of the same resolution, the Council requested the Secretary-General to establish a group of experts, including oil industry experts, to report on Iraq's existing petroleum production and export capacity and to make recommendations, to be updated as necessary, on alternatives for increasing Iraq's petroleum production and export capacity in a manner consistent with the purposes of relevant resolutions and to report on the options for involving foreign oil companies in Iraq's oil sector, including investments, subject to appropriate monitoring and controls.

4. For the preparation of the present report, the Office of the Iraq Programme undertook an inter-agency review of the humanitarian programme established pursuant to resolution 986 (1995) of 14 April 1995 (hereafter referred to as the programme), with the full participation of staff members at Headquarters and in the field. The Office also undertook a review of the whole process of contracting, application processing, obtaining approval by the Security Council Committee established by resolution 661 (1990) of 6 August 1990, procurement and shipment, as well as the timely distribution of humanitarian supplies within Iraq - a complex, interdependent chain of activities involving the Security Council Committee, the Government of Iraq and other Member States, the United

Nations Secretariat and the agencies and programmes concerned, as well as private firms and financial institutions. The results of the process review are discussed in sections IV and VI of the present report. Furthermore, relevant information that would have been provided in a separate report pursuant to paragraph 5 of resolution 1281 (1999) has also been incorporated into the present report.

5. The full report of the group of experts established pursuant to paragraph 30 of resolution 1284 (1999) will be made available to Council members.

6. In addition to providing information on the progress made in meeting the humanitarian needs of the Iraqi people, the present report examines the extent to which the recommendations contained in my supplementary report dated 1 February 1998 (S/1998/90), as endorsed by the Council, have been implemented. It also identifies additional measures aimed at increasing the effectiveness of the programme, with a view to achieving substantial improvement in both the health and nutritional status of the population and also to address the deterioration of the social services infrastructure.

7. The programme is presently in its seventh phase, effective 11 December 1999. Phase I of the programme officially became effective 10 December 1996. Phases II to VI were, respectively, in effect as follows: 8 June to 4 December 1997; 5 December 1997 to 29 May 1998; 30 May to 25 November 1998; 26 November 1998 to 24 May 1999; and 25 May to 10 December 1999.

8. The humanitarian programme has been implemented pursuant to resolution 986 (1995), the relevant resolutions adopted thereafter and the Memorandum of Understanding concluded on 20 May 1996 by the United Nations Secretariat and the Government of Iraq on the implementation of the resolution (S/1996/356).

9. It is a unique programme, established by the Council under Chapter VII of the Charter of the United Nations as a temporary measure to provide for the humanitarian needs of the Iraqi people, which is being implemented within the context of a sanctions regime with all its attendant political, socio-economic and commercial dimensions, until the fulfilment by the Government of Iraq of the relevant resolutions, including notably resolution 687 (1991) of 3 April 1991. In any assessment of the programme and its implementation, it is essential to bear in mind - as stated in my previous reports - the exceptional and unprecedented complexity of the programme and that it should not, therefore, be confused with a development programme and the requirements of such a programme.

10. It is also essential to bear in mind that, despite the great increase in the range of resources available to meet humanitarian needs throughout Iraq, with a very substantial quantity of inputs to be delivered, the programme was never intended to meet all the humanitarian needs and must be assessed in that context.

II. REVENUE GENERATION AND STATUS OF THE OIL INDUSTRY

A. Oil production and sale of petroleum and petroleum products

11. For phases I to VI, total crude oil exports from Iraq under the programme provided for by resolution 986 (1995) amounted to 1,488 million barrels, with a value of $20.736 billion.

12. Since the beginning of phase VII, and as at 31 January 2000, the oil overseer and the Security Council Committee have reviewed and approved a total of 91 contracts involving purchasers from 33 countries: Algeria (1); Belarus (2); Belgium (1); Brazil (1); China (6); Cyprus (1); Egypt (1); Greece (1); Finland (2); France (4); India (1); Italy (5); Kenya (1); Malaysia (2); Morocco (2); Netherlands (1); Oman (1); Panama (1); Russian Federation (20); Singapore (1); South Africa (1); Spain (4); Sudan (1); Switzerland (8); Thailand (2); Tunisia (3); Turkey (6); Ukraine (1); United Arab Emirates (3); United Kingdom of Great Britain and Northern Ireland (3); United States of America (2); Viet Nam (1) and Yemen (1).

13. The total quantity of oil approved for export under those contracts corresponds to approximately 254.8 million barrels for 180 days, with estimated revenue of $6.5 billion (including pipeline fees, at current prices). The contractual volume at this time is substantially lower than during the previous phase, but additional contracts are expected during phase VII.

14. As at 31 January, the export of petroleum from Iraq under the current phase had proceeded smoothly, with excellent cooperation among the United Nations oil overseer, the independent oil inspection agents (Saybolt Nederland BV), the relevant authorities of Turkey, the Iraqi State Marketing Organization for Oil and the national oil purchasers. Sixty-eight loadings totalling 81.6 million barrels with an estimated value of $1.930 billion have been completed.

15. The overseer has continued to advise and assist the Security Council Committee on oil pricing mechanisms, contract approval and modifications and other pertinent questions related to exports and monitoring under resolution 986 (1995) and other relevant resolutions. The overseer and Saybolt have worked closely to ensure the monitoring of the relevant oil installations as well as the liftings.

16. The Security Council Committee has still been unable to reach consensus on the selection of additional oil overseers, leaving only one oil overseer in the service of the Office of the Iraq Programme. As a result, a great deal of work has been referred to the Committee itself. In view of the period of time that this issue has been under consideration by the Committee and its implications for the effective implementation of the humanitarian programme, I would like to reiterate my previous recommendation for a resolution to the difficulties encountered with regard to the appointment of additional oil overseers.

B. The status of the oil industry

17. Pursuant to paragraph 30 of resolution 1284 (1999), I established a group of experts, including oil industry experts, to report on Iraq's existing petroleum production and export capacity and to make recommendations on alternatives for increasing Iraq's petroleum and export capacity in a manner consistent with the purposes of the relevant resolutions.

18. Pursuant to paragraph 28 of Security Council resolution 1284 (1999), on the basis of the comprehensive survey undertaken of the condition of the Iraqi oil production sector, I am making recommendations to the Council on necessary additions to the current allocation for oil spare parts and equipment.

19. The group of experts was to undertake, in cooperation with the Government of Iraq and taking into account previous studies carried out by United Nations oil experts, the following terms of reference:

(a) To conduct a comprehensive survey of the condition of the Iraqi oil production sector and export capacity;

(b) To review of alternatives for increasing Iraq's petroleum production and export capacity in a manner consistent with the purposes of relevant Security Council resolutions and of the options for involving foreign oil companies in Iraq's oil sector, including investments, subject to appropriate monitoring and controls;

(c) To review and submit a list of additional spare parts and equipment necessary not only to meet the immediate requirements, but also to enable Iraq to increase its exports of petroleum and petroleum products in order to fulfil the humanitarian purposes set out in Council resolution 986 (1995) and related resolutions;

(d) To assess the impact of holds on contract applications for oil spare parts and equipment on the capacity of oil production and export in Iraq;

(e) To make recommendations regarding arrangements for the monitoring of oil spare parts and equipment.

20. The group consisted of six experts. The mission of the group of experts to Iraq took place from 16 to 31 January 2000. The full report of the group of experts is being made available to the members of the Security Council. The following is a summary pursuant to paragraphs 28 and 30 of resolution 1284 (1999).

21. For the purpose of comparison with the mission undertaken from 12 to 22 March 1998 pursuant to paragraphs 12 and 13 of resolution 1153 (1998) of 20 February 1998 (see S/1998/330 and Corr.1), the group followed the previous visit schedule, with additional visits to sites considered pertinent to the terms of reference. These included, inter alia, the loading platforms in the Persian Gulf, the water-injection input to the South Oil Company system at Garmat Ali and the liquefied natural gas plant at Khor-Zubair.

22. Initial meetings were held with the Ministry of Oil upon the group's arrival in Iraq to agree on an itinerary for the duration of the mission; three senior members of the Ministry were assigned to accompany the group during the visit. At these initial meetings the group was advised by the Ministry of Oil that in view of the current political environment:

(a) There would be no discussion on the matter of options for involving foreign oil companies in Iraq's oil sector;

(b) Upon completion of the mission, the Ministry of Oil would advise the group of experts on its estimates of oil production, subdivided into north and south only;

(c) Refinery throughputs were not an issue for discussion by the group of experts.

23. Physical inspections were carried out at all the sites visited, and discussions were held with both senior and local installation staff. Detailed photographic and video records of those inspections were made at all stages.

General observations

24. The group of experts reported that the previously noted generally lamentable state of the Iraqi oil industry had not improved. It is apparent that the decline in the condition of all sectors of the industry continues, and is accelerating in some cases. This trend will continue, and the ability of the Iraqi oil industry to sustain the current reduced production levels will be seriously compromised unless effective action is taken immediately to reverse the situation.

Production

25. In order to maximize revenue, and in expectation of the arrival of spare parts and equipment in 1998 and thereafter, the production of crude oil was incrementally increased by the Government of Iraq to a level of 3 million barrels per day by November 1999, without the technical resources to apply "good oilfield practice". This was achieved by implementing poorly controlled water-injection programmes in the north and south, bringing on-stream some of the pre-1991 stock of pre-drilled wells and initiating production from fields such as Saddam and West Qurna.

26. The Iraqi oil industry is unable to sustain production at these levels because of its inability to replace the lost capacity of depleted strata and "watered-out" wells. The suspension of drilling, well work-over and completion activities and delays in the commissioning of wet-crude treatment plants result directly from a lack of spare parts and equipment.

27. Without prompt action, a continued decline in production is strongly indicated. The Iraqi oil industry continues to adopt high-risk solutions in order to balance the production quantity/oil price equation against the necessity to export crude oil, to produce gas for domestic use and to refine products for transportation and power generation.

Investment levels

28. Since December 1996, some 2,000 million barrels of oil have been produced, and investment in the oil sector has been set by the Security Council at $1.2 billion.

29. A two-year perspective of Iraqi oil production since March 1998 has made it possible to draw several key conclusions regarding the effectiveness of the oil spare parts and equipment programme.

30. Thus, the current level of cash injection for the industry equates to $0.60 per barrel per year (based on the two-year perspective). This cost should be viewed strictly as hard-currency operating expenditure, plus the equivalent of a few cents per barrel for running costs paid in local currency. Not all items in the spare parts and equipment programme are operating consumables or services, and about one third of the value could be construed as investment in infrastructure, that is, capital expenditure. The norm for mature onshore oil production operations in the Middle East (outside Iraq) is approximately $1.50 per barrel per year for operating costs.

31. The inadequacy of the monetary value of the oil spare parts and equipment programme to sustain production operations is now self-evident. At the time of the initiation of the programme, however, all parties accepted the level of $300 million per phase on the assumption that the spare parts and equipment would arrive at a far more rapid rate.

32. The group of experts believe that future investment strategy should be structured to fulfil two main criteria: a pragmatic expectation should be developed so that whatever sum is invested is applied appropriately; and expenditure on new oilfield technology should be permitted in order to optimize the amount of oil recovered from assets such as oil reservoirs.

33. To meet those criteria an alternative to the current "straight replacement" strategy for spare parts and equipment for the Iraqi oil industry is recommended by the group of experts. Current oilfield drainage practice will result in large proportions of the oil remaining in the ground, with ultimate recovery of only 15 to 20 per cent of the oil volumes in place.

34. The implementation of modern technologies associated with horizontal well exploitation (horizontal drilling, three-dimensional seismic acquisition and reservoir simulation, in particular) should help ultimately to bring recovery to between 35 and 50 per cent of oil volumes in place, and is strongly recommended for additional investment funding in the near future. The group of experts estimate that to be effective, the cost of such a commitment should be on the order of $100 million per year.

35. To offset current declines in production capacity, the group of experts believes that a longer-term perspective dictates the inclusion of new projects to develop known reserves that remain unexploited. The capital expenditure to develop and recover 200 million barrels from a new oilfield in the south would probably exceed $300 million (assuming proximity to the main export infrastructure and utilities), and it would take up to two years to install

production facilities and drill wells. A similar, but shallower, field project in the north might cost $250 million. In the event that additional infrastructure may be required, these capital expenditure figures could easily be doubled. (Capital expenditure figures range from $1.5 to $3 per barrel per year for similar Middle East onshore fields elsewhere.)

36. Such projects could not be commissioned until there was certainty that export infrastructure would be available to handle the plateau rate of production expected from each new oilfield. It follows, therefore, that any recommended investment support for horizontal drilling projects should generally precede that for the development of new oilfields.

Refining

37. According to the group of experts, the refineries at Baiji, Basrah and Daura have all been partly rehabilitated over the past year to operate on a simple hydro-skimming technology basis. To achieve this without access to replacement parts, damaged refinery units were cannibalized, and there is no back-up for most units. The failure of such units, exacerbated by a lack of spare parts and equipment, would lead to a serious limitation of refining capacity.

38. The quality of refined products remains extremely poor, and waste-water effluents are highly contaminated, which continue to have a serious impact on environmental conditions. Furthermore, the general lack of safety, fire-fighting and environmental control equipment also leads to an increasing level of concern.

39. The lack of functioning instrumentation and control equipment has resulted in the "hands-on" operation of most refinery units. This, combined with the lack of spare parts and equipment, has led to the accelerating deterioration of equipment and also to a decline in the morale and motivation of operating staff.

Transportation and storage

40. The constraints noted with respect to the transportation and storage of crude oil, which I reported on following the visit of the group of experts in March 1998, remain and have not been effectively resolved.

41. The Iraq-Turkey pipeline system continues to operate without an effective control system. Intermediate storage capacity has been marginally addressed, but the capacity will remain ineffective, as will proposed repairs to the pipeline, until key items required for the safe storage and transportation of crude oil are released from hold.

42. There has been no improvement in the condition of the Mina al-Bakr loading platform. The safety and operational capabilities of this facility remain a major concern. Two berths at the Khor al-Amaya loading platform are under repair as an alternative to Mina al-Bakr should technical problems occur.

43. Repairs to the strategic line are required to increase movement of oil from the south to the north. Until repairs to this line are completed, the overall export volume will be reduced.

44. The export of crude oil via the Iraq-Saudi Arabia pipeline is not considered a priority by the Ministry of Oil in Iraq. Furthermore, according to the Ministry, the export of crude oil via the Iraq-Syrian Arab Republic pipeline will not be contemplated before 2001.

Spare parts and equipment and the impact of holds on contract applications

45. The programme for the provision of spare parts and equipment has not been demonstrably effective. The total value of spare parts and equipment ordered under phases IV to VI that have arrived in Iraq is only about $250 million. As reported previously, a sharp increase in production without concurrent expenditure on spare parts and equipment would severely damage oil-containing rocks, and pipeline systems (S/1998/330 and Corr.1), a situation that has already begun to occur.

46. At the time of the mission of the group of experts to Iraq in March 1998, the estimate of current production was 2.2 million barrels per day, with an export potential of 1.5 million barrels per day. The monitored export figure at that time was 1.2 million barrels per day. As indicated, in November 1999, the level of production reached 3 million barrels per day.

47. The increase in production since March 1998 was achieved as a result of the improvement in reservoir pressure resulting from the effects of previous re-injection and the delivery of chlorine, allowing for the enhancement of water treatment and injection. Furthermore, the delivery of emulsification chemicals allowing for enhancement of the treatment of wet crude, the commencement of production from the Saddam and West Qurna oilfields, the connection of previously drilled wells and the use of gas lift in the north have also contributed significantly to this increase in production.

48. Without access to the majority of contracted spare parts and equipment, however, this increase has resulted in a situation where crude oil production at the levels achieved in November 1999 is no longer sustainable, as is the situation now. Production in recent weeks has decreased by 300,000 barrels per day, or 10 per cent.

49. According to the group of experts, the recent decrease in the production and export of crude oil can be attributed to the failure to replenish depleted wells, the delays in implementing wet crude treatment projects and the loss of producing wells - 56 in the south alone. Other contributing factors include the failure to carry out major plant and equipment overhauls, delays in the repair of the pipeline systems, the further decline in conditions on the Mina al-Bakr loading platform and limitations in the crude oil storage and transportation system. These are all factors that have arisen because of the lack of necessary spare parts and equipment.

50. Exacerbating this situation is the fact that some applications have been placed on hold for a lengthy period of time, and when they are subsequently

approved the suppliers have in certain cases been unwilling to perform as contracted because of significant changes in their costs or other related factors. As a result, the Government of Iraq must either renegotiate the contracts or identify new suppliers.

51. As at 31 January 2000, the total value of applications approved was $506 million, half the total value ($1.1 billion) of applications received. The arrival of additional approved spare parts and equipment, with a total value of $255 million, is still pending. The total value of contract applications on hold for oil spare parts and equipment was $291 million.

52. Until the majority of spare parts and equipment ordered under phases IV to VI are in place, the Ministry of Oil has decided to balance the level of production required to continue the humanitarian programme against an acceptable level of damage to Iraqi oilfields, and will increasingly take the operational "safe route" and continue to scale down its production and export. The level of exports monitored since the beginning of phase VII has averaged 1.8 million barrels per day, which would indicate an average production level of 2.3 to 2.4 million barrels per day.

Necessary additions to the current allocation for oil spare parts and equipment

53. The allocation for oil spare parts and equipment in phases IV and V was authorized by the Security Council at $300 million per phase, although as I have pointed out (S/1998/330 and Corr.1), the original plan of the Ministry of Oil was to allocate $1 billion over a period of 18 months.

54. For phase VI, the group of experts established to prepare the list of parts and equipment requested by the Security Council in paragraph 9 of its resolution 1242 (1999) of 21 May 1999 recommended that funds for oil spare parts and equipment be allocated at a level of $600 million (S/1999/746, annex, para. 48). The group of experts recommended this level as being commensurate with the production levels achieved and predicted, given in particular the emphasis placed on major projects and investment in safety, control of pollution and environmental damage. I indicated to the Council that if oil revenues generated during phase VI were likely to exceed the total of the $3.004 billion required for the implementation of the approved distribution plan, the Government of Iraq intended to enter into additional contracts up to the value of $300 million. As any amount in addition to the $300 million approved by the Council in its resolution 1242 (1999) for the purchase of oil spare parts and equipment would have to be authorized by the Council, I informed the Council that I intended to keep under constant review the revenues received during the phase and would address the matter in the context of my 90-day report.

55. On 4 October 1999, the Security Council adopted resolution 1266 (1999) in which it authorized States to permit the import of petroleum and petroleum products originating in Iraq sufficient to produce an additional sum beyond that provided for in resolution 1242 (1999), up to $3.04 billion, in order to meet the humanitarian deficit of $2.2 billion under phases IV and V.

56. In my letter to the President of the Security Council dated 12 October 1999 (S/1999/1053), I informed the Council of the approved adjustments proposed by

the Government of Iraq for the utilization of the additional revenue. I also recommended that the Council approve the request to increase by $300 million the allocation for oil spare parts and equipment, bringing the total allocation for phase VI to $600 million. I also informed the Council that the funds for such an increase were available. Regrettably, the Council took no action in this regard.

57. For phase VII, pursuant to paragraph 9 of resolution 1281 (1999), an expert was dispatched to Iraq to prepare, in consultation with the Government of Iraq, the list of spare parts and equipment needed under phase VII to enable Iraq to increase the export of petroleum and petroleum products. In my letter to the Security Council dated 14 January 2000 (S/2000/26), to which was annexed the report of the expert and the list of spare parts and equipment, I reiterated my recommendation that the Council approve the request of the Government of Iraq to increase by $300 million the allocation for oil spare parts and equipment, bringing the total allocation under phase VI to $600 million, indicating that funds were available for that purpose. For phase VII, the Government again proposed an allocation of $600 million, which was supported by the expert as reasonable, taking into account the current situation of the Iraqi oil sector. The expert noted that unless key items of spare parts and equipment were made available and commissioned within a very short time, production was likely to drop, even under a regime of severe risk management. However, in its resolution 1281 (1999), the Council again approved only $300 million for this sector.

58. The group of experts I dispatched in January 2000, pursuant to paragraph 30 of resolution 1284 (1999), noted that the condition of the Iraqi oil industry had not improved and that exports had declined from the 2.2 million barrels per day achieved in phase VI and would probably be sustained at a level of only 1.9 million barrels per day in phase VII. They estimated that a further production (and therefore export) decline of 5 to 15 per cent would occur unless the delivery of spare parts and equipment was accelerated, and that the spare parts and equipment that had arrived were insufficient to sustain production.

59. The value of investment required to repair the Iraqi oil industry is much greater than the value of investments discussed under phases IV to VII, and will inevitably increase if essential repairs and maintenance are further delayed.

60. Since sanctions were imposed against Iraq in 1990, the oil industry of Iraq has suffered seriously as a result of the absence of the required spare parts and equipment. Taking into account the production required for local consumption needs from 1991 to 1996 and production since late 1996 under the humanitarian programme, the Iraqi oil industry has produced some 5,000 million barrels of oil with virtually no investment in infrastructure repairs or maintenance. The result has been a massive decline in the condition, effectiveness and efficiency of that infrastructure, coupled with appalling safety conditions and significant environmental damage.

61. In the ensuing period, oil-bearing structures in Iraq have suffered short-term damage, which is considered to be reparable, subject to the expeditious arrival of the necessary spare parts and equipment. Increasingly, however, damage to these structures is becoming more long-term in nature, resulting in irreversible damage to oilfields and the permanent loss of production and export

capacity. It should also be noted that because certain spare parts and equipment required by the Iraqi oil industry are obsolete, complete replacement rather than repair is often necessary.

62. Since the initiation of the oil spare parts and equipment programme in phase IV (at a level based on the need to maximize the funds for the humanitarian programme), the price of oil has more than doubled. The increase in income can therefore continue to support the current level of humanitarian programmes, or indeed an increased level, while concurrently allowing a greater allocation for spare parts and equipment, which is urgently needed to support the export of crude oil on which the humanitarian programme depends. In the view of the group of experts, it is a logical investment, especially given the volatility of oil prices, which could easily return to previous low levels.

63. At the very least, therefore, the allocation of funds under phases VI and VII at the level of $600 million per phase is urgently required if production levels are to be sustained at, or even near, current levels and in order to offset permanent damage to oil-bearing structures in Iraq.

64. In paragraph 18 of its resolution 1284 (1999), the Security Council requested the Committee to appoint a group of experts, in accordance with its resolutions 1175 (1998) and 1210 (1998), and decided that the group would be mandated to approve speedily contracts for the parts and equipment necessary to enable Iraq to increase its exports of petroleum and petroleum products. The Office of the Iraq Programme has submitted to the Committee for its consideration and approval procedures for the implementation of that mandate. Once the procedures have been approved and the group of experts has been selected by the Committee, on the recommendation of the Office, lists of parts and equipment based on individual projects will be prepared and submitted to the Committee for its approval. It is expected that the implementation of paragraph 18 of resolution 1284 (1999) will expedite the approval process, which in turn will allow for more rapid delivery of the urgently needed parts and equipment for the Iraqi oil industry.

C. United Nations accounts pertaining to the Iraq programme

65. The United Nations accounts pertaining to the Iraq programme are divided into seven separate funds pursuant to paragraph 8 (a) to (g) of Security Council resolution 986 (1995). As at 31 January 2000, $740.8 million had been deposited into the account for phase VII as authorized under resolutions 1281 (1999) and 1284 (1999), bringing the total oil sale since inception to $21,476.5 million. Annex I to the present report shows the allocation of the total oil revenues among the various funds and the corresponding expenditures as at 31 January 2000. Annex II shows the number and value of the letters of credit pertaining to oil proceeds and humanitarian supplies.

Balances with BNP Paribas

66. As at 31 January 2000, the closing balance in the United Nations Iraq account with BNP Paribas was $6.2 billion. A total of $2.3 billion of the balance in the account was segregated for approved and issued letters of credit.

Approximately $3.5 billion remains available for the issuance of letters of credit as soon as contracts are approved by the Security Council Committee.

67. Included in the above balance is accrued interest of $211 million earned on the United Nations Iraq account. These funds are being used to purchase additional humanitarian supplies.

68. The concentration of funds in one bank remains an issue of concern, as was brought to the attention of the Committee on 26 January by the United Nations Treasurer. Further, as noted in previous reports, the risk of depending on a single issuer for humanitarian letters of credit is an operational vulnerability.

69. The United Nations Treasurer, in consultation with all concerned, has continued to address the concerns raised regarding the banking arrangements for the programme. As a result, delays between the issuance of Committee approval letters and the opening of letters of credit have been reduced.

III. OBSERVATION AND MONITORING ACTIVITIES

A. Inspection and authentication of humanitarian supplies

70. The inspection and authentication of the arrival of humanitarian supplies pursuant to Security Council resolution 986 (1995) and related resolutions was initiated in February of 1997 by the tendering of a contract to Lloyd's Register, which continued as the inspection agent until the end of January 1999. The authentication process began with the establishment of sites at Trebil, at the border of Jordan, at the seaport of Umm Qasr and at Zakho, on the border of Turkey. A fourth site, Al-Walid, on the Syrian border, was added to accommodate the increase in humanitarian shipments to Iraq. Subsequently, the authentication and inspection contract was awarded to Cotecna Inspection Service SA of Geneva in January 1999; Cotecna is currently the United Nations independent inspection agent for humanitarian supplies.

71. The mandate of the inspection agent includes the authentication of and reporting on the arrival of all humanitarian supplies procured with funds made available under resolution 986 (1995) and related resolutions. The agents at the borders of Iraq continue to sample and test shipments of food commodities for the purpose of verifying their fitness for human consumption. An independent laboratory in Jordan carries out blind testing of sampled shipments. Additional extensive tests, if required, are conducted in Geneva. Reductions in the time required to dispatch the samples and the subsequent receipt of the analysis reports have resulted in the expedited authentication of the arrival of goods. Requests to pursue the stationing of mobile laboratories to further speed up this process continue to be declined by the Government of Iraq. As the approved contracts continue to be complex, the inspection agent has expanded its role of authentication to include installation services and commissioning at various inland facilities in Iraq, such as electrical installations undergoing rehabilitation. In addition, Cotecna, as approved by the Security Council Committee under special authentication procedures, monitors the export and subsequent re-importation to Iraq of other goods requiring overhaul and

refurbishment, which can be done only at the service provider's location, and authenticates the delivery of the services.

72. Cotecna and the Multidisciplinary Observation Unit of the Office of the Iraq Programme continue to report a serious deterioration of the facilities at the port of Umm Qasr. Degraded discharge facilities and generally poor port conditions continue to contribute to the slow and inefficient offloading of necessary food basket items, particularly bulk foodstuffs and badly needed infrastructure spare parts and equipment. Cotecna routinely reports cargo damaged during discharge due to inadequate equipment. Outdated and damaged equipment such as forklifts continue to jeopardize the safety and well-being of port personnel. While contracts for some of the necessary items, such as tugboats and loading arms, have been approved and in some cases delivered, other badly needed equipment remains on hold. The distribution plan for phase VII, as well as previous plans, provided for the contracting of such items. In some phases, however, no contract applications were presented to the Office of the Iraq Programme, while in other phases applications for only some of the relevant items under the distribution plan were presented. One item in particular, namely a harbour dredger, was contracted for in phase VI. While harbour conditions clearly indicate the need for this equipment, this application remains on hold because of the potential for dual use, with a request for technical specifications. Cotecna recently reported that the accumulation of silt in the harbour often necessitates the offloading of cargo in deeper water. Such cargo is subsequently shuttled to the berths in smaller vessels. While improvements have been made to the offloading cranes at the berths, larger vessels are routinely unable to berth because of the low water level and are further restricted by the tides.

B. Monitoring of oil spare parts and equipment

73. In paragraph 6 of its resolution 1175 (1998), the Security Council requested me to provide for the monitoring of the necessary spare parts and equipment authorized to enable Iraq to increase oil exports to the level indicated in paragraph 2 of resolution 1153 (1998), namely, a sum not exceeding $5.2 billion. Accordingly, the Office of the Iraq Programme proceeded to establish a system to monitor and report on the arrival, storage, distribution and utilization of oil spare parts and equipment in order to ensure that such equipment was utilized for the purpose for which it was approved by the Security Council Committee. In close consultation with Saybolt, which was contracted by the United Nations for the purpose of monitoring oil spare parts and equipment, the Office established the basic principles for the monitoring system, which were subsequently approved by the Committee, in July 1998. Further to this, the Office established more detailed standard operating procedures for the efficient day-to-day monitoring of oil spare parts and equipment from port of entry and customs clearance to storage at designated sites and utilization at end-user location. The standard operating procedures were established to institutionalize monitoring and reporting procedures with a view to providing the Committee with the assurance that the oil spare parts and equipment were utilized in the manner for which they were approved.

74. Through its close interaction and liaison with Saybolt and also with Cotecna, the Office of the Iraq Programme has kept the monitoring arrangement under close and constant review in order to ensure the efficient functioning of the monitoring and reporting system. Initially, when the first shipments of spare parts and equipment began to arrive in Iraq in mid-1999, only one monitor was deployed, stationed in Baghdad. As deliveries increased, the number of monitors was increased. The total number of monitors deployed is now six. This has enabled Saybolt to meet increased workloads and to intensify field-monitoring visits throughout Iraq.

75. More recently, the Office of the Iraq Programme reviewed the monitoring and reporting system in the light of the continued increase in the arrival of oil spare parts and equipment and the gradual expansion of the number of storage and end-use sites. The objective of the exercise, undertaken in consultation with Saybolt, was to ensure that the Office continued to meet the monitoring and reporting requirements of the Committee and to improve those procedures where possible. In doing so, the Office reviewed existing procedures and sought to systematize procedures that have been developed since the inception of the monitoring system. Moreover, the Office has identified and systematized additional measures to be followed for items designated by the Committee as being of a sensitive nature and for which the Committee requires special monitoring and reporting. In undertaking this exercise, great attention has been paid to ensuring that the limited human and material resources available are applied where they are most necessary and in the most productive manner possible.

76. The functioning and efficiency of the monitoring and reporting mechanism, as well as the degree of human and material resources applied to it, will be kept under constant review by the Office of the Iraq Programme. This will assist the Office in ensuring that its relevant reporting requirements to the Committee continue to be met, namely, that the Committee receives the necessary assurances regarding the utilization of spare parts and equipment in the manner for which they were approved.

C. United Nations observation mechanism

77. Under the humanitarian programme, the total number of observers is 151, including 63 geographical observers, 75 sectoral observers working directly with the agencies and programmes concerned and a small unit of 13 multidisciplinary observers.

78. As at 29 February 2000, in the 36 months since the implementation of resolution 986 (1995), United Nations observation units had conducted observation visits throughout Iraq, as described below.

79. The Geographical Observation Unit conducted a total of 60,832 field observations covering the food (50,092), health (7,108), nutrition (341), agriculture (1,244), water and sanitation (628), education (764), electricity (61) and resettlement (594) sectors, including direct end-user/beneficiary interviews.

80. World Food Programme (WFP) international observers and local observation staff undertook a total of 667,911 observation visits, including visits to silos, mills, warehouses and food and flour agents as well as household spot checks. Spot checks were conducted on a predefined sample of food agents, flour agents and households. To date, observation spot checks covered all food and flour agents throughout the country, 12.09 per cent of all households in the centre and south of Iraq and 26.46 per cent in the three northern governorates of Dahuk, Erbil and Sulaymaniyah.

81. In the health sector, World Health Organization (WHO) observers conducted routine observations on the storage and use of health commodities. WHO conducted 10,109 observation visits in the 15 governorates in the centre and south of Iraq. Observation of the implementation of the targeted nutrition programme by the United Nations Children's Fund (UNICEF) started in November 1999. To date, UNICEF observers have conducted 482 visits to observe the distribution of targeted nutritional supplies. UNICEF observers conducted 5,017 observation visits in the water and sanitation sector. The Food and Agriculture Organization of the United Nations (FAO) conducted 3,007 observations. In the electricity sector, observers from the United Nations Development Programme (UNDP) and the Department of Economic and Social Affairs of the Secretariat conducted 917 observations to examine the quantity of goods received at end-use sites and their conformity with the specifications stated in the purchase orders. In the education sector, UNICEF and the United Nations Educational, Scientific and Cultural Organization (UNESCO) conducted a total of 1,120 and 1,147 visits respectively to observe the distribution and utilization of educational supplies in primary and secondary schools as well as in universities.

82. In addition to preparing monthly implementation reports, the United Nations observation mechanism has undertaken a wide range of surveys and has produced assessments on implementation issues of concern to the programme. These have included the WFP 1997 mission report on the observation system for the distribution of food under Security Council resolution 986 (1995), WHO studies on the countrywide availability and adequacy of medicine and medical supplies (1998) and evaluations of the impact of health cards in the centre and south (1998) and in the three northern governorates (1999). FAO undertook 10 surveys as follows: four on animal health, one on agrochemicals, three on agricultural machinery, one on the rehabilitation of the poultry industry and one on general end-user surveys. UNICEF conducted health facility-based nutrition surveys in April and October/November 1997, March and October 1998 and April 1999. In September 1998, UNICEF reviewed the nutritional rehabilitation centres in the context of the nutrition programme in the 15 central and southern governorates. In March 1999 UNICEF conducted an impact assessment for both the water and sanitation and education sectors. At the same time, UNESCO conducted a review of the Iraqi educational system from 1990 to 1996. In the electricity sector UNDP and the Department of Economic and Social Affairs have conducted statistical surveys on safety at work, electricity at the household level and the effects of the 1999 drought on the electricity sector. In October 1999 the United Nations observation mechanism undertook a comprehensive study on the consequences of holds in all sectors. This was in addition to the routine work undertaken daily in response to specific requests for information.

IV. PROCESSING AND APPROVAL OF APPLICATIONS

83. In my supplementary report I informed the Security Council that I had directed the Office of the Iraq Programme to serve as a focal point for tracking and coordinating all activities related to the preparation and approval of the distribution plan, revenue generation and allocation of funds, the processing, circulation and approval of applications, the processing of letters of credit, procurement, delivery, authentication and quality checks performed by the independent inspection agents at points of entry, as well as the distribution of supplies in Iraq (S/1998/90, para. 53 (g)). Since then, I have kept under constant review the implementation of my recommendations to the Council and its Committee and to the Government of Iraq. I have also monitored the directives addressed to the Office of the Iraq Programme as well as those addressed to other Secretariat departments and agencies and programmes of the United Nations system (ibid., paras. 49-60), as endorsed by the Council in its resolution 1153 (1998), with a view to streamlining and expediting approval procedures and to ensuring the arrival of humanitarian supplies in Iraq as expeditiously as possible.

84. Since the adoption of resolution 1153 (1998), there has been marked improvement in the speed of approvals and deliveries as well as inspections and authentication at the borders. This was in part the result of all parties concerned having gained experience with the procedures of the programme and the immediate measures taken by the Office of the Iraq Programme to implement my directives (see ibid., paras. 53-56), as well as the decisions taken by the Security Council Committee regarding its own working procedures. Nevertheless, there is an urgent need to review further the procedures related to the approval of applications with a view to reducing the excessive number of holds placed on applications, which have been affecting adversely the overall implementation of the programme, as explained in section V of the present report.

85. The Office of the Iraq Programme took immediate steps to implement all 13 of my directives contained in the supplementary report (ibid., para. 53). However, in practice there have been some difficulties in processing within two business days all applications received, owing mainly to non-compliance with the procedures of the Security Council Committee and inconsistencies with the approved distribution plan and amendments thereto. These difficulties have been compounded by the increased number of applications received during a short period of time as well as by the increasingly complex large-scale contracts; one, for example, was valued at more than $100 million. Therefore, I have taken further measures to increase the number of staff resources, including additional customs experts, available to the Office of the Iraq Programme.

86. The Office of the Iraq Programme submitted to the Security Council Committee a proposal for advancing funds for food procured and delivered to Dahuk, Erbil and Sulaymaniyah by the Government of Iraq in order to address the financing problems created by the existing system of reimbursement from the ESC (13 per cent) account to the ESB (53 per cent) account. Since the submission of that proposal on 11 February 1999, however, the Committee has been unable to reach an agreement. As at 28 February 2000, the total amount of funds awaiting reimbursement from the ESC (13 per cent) account to the ESB (53 per cent) account for food items was $122.8 million. For medicine, the total amount

awaiting reimbursement was $76.8 million. A number of other proposals submitted by the Office to the Security Council Committee in 1999 have not been acted upon by the Committee. These include procedures concerning blocks or holds on traditional applications under resolution 661 (1990), payment clauses for the ESB (53 per cent) account, draft guidelines for the work of the panel of experts to approve contracts for oil spare parts and equipment pursuant to paragraph 2 of resolution 1175 (1998) (which has been overtaken by the provisions of paragraph 18 of resolution 1284 (1999)), as well as the need to select and recruit additional oil overseers.

87. The Security Council Committee has not implemented the recommendation, as endorsed by the Council in its resolution 1153 (1998), to review annexes to the distribution plans at the outset in order to identify as early as possible those items which could be subject to "holds" and those on which further information and end-use verification are likely to be required (ibid., para. 58 (b)). In order to expedite the processing of applications placed on hold, it was recommended (ibid., para. 58 (d)) that the Committee may wish to reach an understanding that for items placed on hold, written and explicit explanations should be provided within 24 hours in order to enable the applicants to provide any additional information required. It is regrettable that the Committee has thus far not reached an understanding to fully implement these recommendations. Although the Committee approved the procedures for the delegation of approval authority to the Secretariat for foodstuffs (see ibid., para. 58 (f)), they could not be implemented in the absence of the required pricing mechanism to be submitted by the Government of Iraq. This has now been overtaken by the provisions of paragraph 17 of resolution 1284 (1999).

88. The Government of Iraq also did not implement fully the recommendation concerning the preparation of the distribution plan (ibid., para. 59), in particular the authorization given in paragraph 5 of resolution 1153 (1998). Furthermore, although a representative of the Central Bank of Iraq was dispatched a few times to New York, the Government did not deploy to New York a representative of the Bank at the appropriate level, as recommended (ibid., para. 55).

89. With few exceptions, the United Nations agencies and programmes have also failed to implement fully the recommendation that applications be submitted when most of the details of future contracts have been worked out with the respective suppliers in order to avoid submission of numerous amendments to the original applications (ibid., para. 56), mostly as a result of their procurement procedures. This will be corrected in the context of the implementation of paragraphs 17 and 25 of resolution 1284 (1999). The agencies and programmes concerned have been given until 31 August 2000 to make the necessary adjustments to their procurement procedures in order to comply fully with the provisions of paragraph 17.

90. The distribution plan remains central to the entire process of delivering timely supplies to Iraq. For each phase, the plan has become lengthier and more complex, requiring significant improvements in content and format. In my supplementary report, I recommended that the content and format of the distribution plan be significantly improved by providing, inter alia, an

indication of the priorities and interrelationship of supplies within the context of a project or activity.

91. Under the phase IV enhanced distribution plan (S/1998/446), the agriculture and oil spare parts and equipment sectors were prepared along these lines, enabling experts within the Office of the Iraq Programme and the Committee to prioritize items and establish interrelationships between them. It is recommended, therefore, that similar information be included in all sectors of the distribution plan by providing a more precise itemized list of goods and, where possible, their interrelationships, and the objectives to be achieved. It would also improve the ability of the Office to propose amendments, as necessary, to the lists of goods approved by the Committee pursuant to paragraph 17 of resolution 1284 (1999). Furthermore, it would assist in identifying certain commodities that might be placed on hold by the Committee and for which more detailed end-use information might be provided at the outset.

92. The lack of clarity and precision in the distribution plan is often reflected in the poor quality of many applications submitted pursuant to resolution 986 (1995). In order to reduce the number of applications returned by the Office of Iraq Programme to the submitting permanent or observer missions and to the United Nations agencies and programmes for failure to conform to the requirements of the programme, the Office assisted the Committee in the preparation of comprehensive revised guidelines, which were adopted by the Committee on 3 September 1999 and which are now posted on the web site of the Office (un.org/depts/oip).

93. Among other recommendations, the guidelines encourage applicants to include in their submissions the type of information often requested by members of the Committee, particularly those concerning end-use. In this connection, it is recommended that the Government of Iraq encourage applicants to attach detailed technical brochures in cases where this might prove useful in avoiding holds imposed for technical reasons. Such information will also expedite the work of customs experts within the Office of the Iraq Programme and facilitate the review of applications pursuant to resolution 1284 (1999) to determine whether items are subject to the provisions of resolution 1051 (1996).

94. In my supplementary report I drew attention to the slow and erratic pace at which humanitarian supplies arrived in Iraq. I welcome the measures taken by the Government of Iraq to impress upon its suppliers the need to submit applications within certain time-frames. Owing primarily to a clause inserted by the Government of Iraq in its contracts, the time taken for suppliers to submit contracts has decreased from an estimated average of 33.9 days under phase IV to approximately 18 days under phase VI. However, the rate at which applications are actually received is also of great importance, as delays in contracting have resulted in the erratic submission of applications, which arrive mostly at the very end of any given phase, overwhelming the processing and evaluation capacity of the Office of the Iraq Programme.

95. It is therefore recommended that the Government of Iraq take the steps necessary to ensure that contracts are signed as promptly as possible subsequent to the approval of the distribution plan for any given phase. In order for the Secretariat experts to have sufficient detail for reviewing applications to

determine whether any listed goods are notifiable pursuant to resolution 1051 (1996) as required by resolution 1284 (1999), the United Nations agencies and programmes are being informed by the Office of Iraq Programme that in future they will be required to attach contracts to their applications.

96. The mechanism developed by the Office of the Iraq Programme for the submission of line-item data in electronic format on diskette remains vastly underutilized. Given the fact that applications have increased greatly in length and technical complexity, and that this mechanism reduces the very time-consuming process of manually entering thousands of lines of data to a matter of seconds, it is recommended that all permanent and observer missions encourage the suppliers of their respective countries to maximize the use of the electronic format, a template of which is available on the web site of the Office.

97. The Committee thus far has provided no guidance on the urgent matter of payment clauses that was raised by the Office of the Iraq Programme in a paper presented to the Committee on 7 July 1999. A preliminary response from the Committee indicating that retention clauses were not allowable under the governing documents of the programme led to amendments in more than 150 contracts and their subsequent circulation to the Committee, while 33 applications containing such payment clauses remained uncirculated. However, the Committee has yet to reach a decision concerning other types of payment clauses, notably deferred automatic payment clauses and performance bonds. The Committee is encouraged to renew its efforts to reach consensus on this matter.

98. Paragraph 17 of resolution 1284 (1999) directs the Security Council Committee to approve, on the basis of proposals from the Secretary-General, lists of humanitarian items, including foodstuffs, pharmaceutical and medical supplies, basic medical and agricultural equipment and basic or standard educational items. As a result, supplies of items on the lists approved by the Committee will no longer be submitted to the Committee for its approval, except for items subject to the provisions of resolution 1051 (1996).

99. Under cover of a letter dated 15 February 2000 addressed to the Chairman of the Committee, the Executive Director of the Iraq Programme formally submitted the draft lists of foodstuffs and educational items as well as the draft procedures to be employed by the United Nations Secretariat for the implementation of the relevant provisions of paragraphs 17 and 25 of resolution 1284 (1999) for the Committee's consideration and approval. The draft procedures to be employed by the Secretariat for the implementation of those provisions were also shared with the members of the Committee. In response, in a letter dated 22 February, the Chairman of the Committee informed the Executive Director that the lists of foodstuffs and educational items had been approved, with the exception of some items specifically mentioned by two members. Accordingly, revised lists, as approved by the Committee, have been prepared by the Office of the Iraq Programme and circulated to the members of the Committee and to all permanent and observer missions. The approved lists have also been posted on the web site.

100. As from 1 March 2000, the Office of the Iraq Programme has been reviewing applications concerning items on the approved lists for foodstuffs and

educational items pursuant to paragraphs 17 and 25 of resolution 1284 (1999). The letter authorizing eligibility for payment for applications determined not to require circulation to the Committee for approval will be signed by the Executive Director of the Iraq Programme and will be deemed equivalent to a letter of approval by the Chairman of the Committee.

101. The Executive Director of the Iraq Programme, under cover of a letter dated 3 March 2000 addressed to the Chairman of the Committee, formally submitted the draft lists of pharmaceutical and medical supplies, as well as basic or standard medical and agricultural equipment, for the Committee's consideration and approval.

102. I consider the above lists, although not exhaustive, to represent a good start in implementing paragraph 17 of resolution 1284 (1999), and they should remain under constant review to allow for expansion of the number of items listed under each category. The Office of the Iraq Programme will submit to the Committee on a regular basis lists of additional items for its consideration and approval.

103. As agreed by the Committee, effective 22 February 2000 the Office of the Iraq Programme began submitting applications to the Committee in line with the directive of the Security Council that the Committee take a decision on all applications in respect of humanitarian and essential civilian needs within a target of two working days of receipt of those applications (resolution 1284 (1999), para. 25). In this regard, the Office has taken measures to ensure that members of the Committee receive all applications by the beginning of the first day of the two-day period to allow the full time allocated for the Committee's review.

104. In an effort to minimize the number of applications on hold, and in addition to the measures discussed above, I have asked that in consultation with technical experts in the field, the Office of the Iraq Programme further intensify its efforts to identify the items that would have a significant impact on enhancing programme delivery. In addition, the Office has been requested to take the measures necessary for observation with a view to giving assurance to the members of the Committee that the items concerned are fully utilized for approved purposes. The Office will continue reporting regularly to the Committee on trends in the imposition of holds and on programme-based reasons for releasing holds, as in the case of drought-related items.

105. The Office of the Iraq Programme will also intensify its efforts to provide information to the Committee on the complementarity of items not only within a single sector, but also between sectors, so that the wider impact of holds, particularly as concerns electricity, transport and telecommunications, is more fully understood. The Office, in consultation with the agencies and programmes concerned, will continue to provide information to the Committee on the impact of holds on applications in the implementation of the programme with a view to encouraging members of the Committee to lift such holds.

106. The Office of the Iraq Programme made the necessary arrangements to enhance the capacity of the independent inspection agents for humanitarian supplies to authenticate and provide quality control of commodity flows into Iraq and to

ensure that they report to the Office of the Iraq Programme and to the Office of the Humanitarian Coordinator for Iraq in Baghdad on the authentication of the arrival of supplies within 24 hours. Except in cases where further testing is required, the inspection agents have generally met the standard. To further expedite authentication, the Office of the Iraq Programme has posted on its web site an electronic template for a standardized packing list that organizes shipping data in a format parallel to that used by the Office to provide data to the inspection agents. In addition, the Office has accorded high priority to finalizing the development of a system to allow electronic transmittal of authentication data to replace the present costly system of sending several thousand faxes to the Office each week.

107. The Office of the Iraq Programme organizes briefings as necessary for all interested representatives of the permanent and observer missions on the rules and procedures of the Security Council Committee, as well as on the procedures for the preparation and submission of applications. The Office has also been organizing on a regular basis informal briefings for members of the Security Council Committee informing them of progress made in the implementation of the programme. Once the Committee has approved the lists of humanitarian supplies pursuant to paragraph 17 of resolution 1284 (1999), there will be a special briefing to acquaint permanent and observer missions and the United Nations agencies and programmes on the new procedures. The Office has also been briefing the Committee on customs evaluation, authentication and inspection procedures and the functioning of the United Nations observation process in Iraq, as well as the monitoring mechanism for oil spare parts and equipment that have been delivered to Iraq.

108. Pursuant to a directive contained in my supplementary report (S/1998/30, para. 53 (h)), a project to develop a comprehensive integrated management information system for the Office of the Iraq Programme has been finalized. The system is being established to provide timely, authoritative information on the progress of each application. This will involve, inter alia, the harmonization of the oil-for-food programme database in New York with those in Iraq, which will ensure data integrity between them.

109. On a number of occasions some suppliers have shipped goods to Iraq without the requisite issuance of a valid letter of approval from the Committee. The Office of the Iraq Programme has informed the suppliers concerned, through their respective permanent missions, that unless the Committee decides otherwise, they will not be paid through the United Nations Iraq account. In order to address the situation, the Office has established a policy whereby the name and relevant details of the suppliers in question will be maintained on a list, and the respective permanent missions of such suppliers will be notified and requested to ensure that there will be no such future violation of relevant Security Council resolutions. The Committee will also be kept informed of the list of suppliers concerned.

110. As stated previously (ibid., para. 52), the processing capacity of the Office of the Iraq Programme has been enhanced in response to the dramatic increase in the size and complexity of the programme. The number of customs experts has been increased from two in February 1998 to 11 in March 2000. The recruitment of additional support staff has also been authorized. The staffing

capacity of the Office will, however, need to be kept under close review as a further dramatic increase in workloads is expected once paragraphs 17, 18 and 25 of resolution 1284 (1999) are fully implemented.

V. PROGRAMME IMPLEMENTATION: EFFECTIVENESS, EQUITABILITY AND ADEQUACY

A. Expansion of the scope and the funding level of the programme

111. Pursuant to the relevant provisions of Security Council resolution 986 (1995), the scope and funding level of the humanitarian programme were limited, and in phases I to III, both the commodities imported and all related activities reflected this understanding. However, by the end of phase II, in December 1997, it had become apparent that the programme, as constituted, could not prevent the continued deterioration in the health and nutritional status of the population.

112. In paragraph 6 of its resolution 1143 (1997) of 4 December 1997, the Security Council welcomed my intention (see S/1997/935, para. 90) to submit a supplementary report and expressed its willingness, in the light of my recommendations, to find ways of improving the implementation of the programme and to take such action over additional resources as needed to meet the priority humanitarian requirements of the Iraqi people, as well as to consider an extension of the time-frame for the implementation of the resolution.

113. My supplementary report submitted to the Council on 1 February 1998 (S/1998/90), identified a range of inputs that were additional and complementary to those included in the distribution plans for phases I to III in an effort to increase the efficiency of the programme and the adequacy of resources for identified humanitarian needs. These were presented in the form of detailed interlinked project proposals with estimated costs. This approach allowed me to provide an indication of the magnitude of the requirements, to the extent that they could be determined at the time. I also identified a minimum level of financial resources required to address these needs in an effective, targeted manner.

114. As stated in my supplementary report, although the Government of Iraq was provided with the detailed terms of reference for both the programme and process reviews in connection with the preparation of the report and was requested to assist in and contribute to both reviews, the programme review was carried out without formal inputs from the Government of Iraq (ibid., paras. 3 and 4). As also stated in my report, the programme review had focused exclusively on the humanitarian requirements and therefore did not tie its recommendations to a notional oil-pumping capacity, which could not be verified (ibid., para. 65). Furthermore, although the draft of the present programme review was submitted to the Government, the Secretariat has not received comments from the Government.

115. In line with the recommendations contained in my supplementary report, the Council, in its resolution 1153 (1998) of 20 February 1998, substantially increased the scope of the programme and increased the funding available to it from $1.3 billion to $3.4 billion per phase. Furthermore, the resolution

provided support for improved distribution of humanitarian supplies, with a view to accelerating the pace of implementation, and sought to provide for sufficient infrastructure rehabilitation to ensure effective utilization of inputs imported under the programme. In addition, the Council endorsed the intersectoral approach to the implementation of the programme, and the continuous improvement in programme administration and observation assessment was made integral to the programme. The Council also endorsed my recommendations concerning the procedures for the processing and approval of contract applications.

116. My recommendations included increases in the allocations for the food basket from $870 million to $1.4 billion; for the supplementary and targeted feeding programme from $10 million to $90.9 million; for the health sector from $210 million to $776.8 million; for agriculture from $50 million to $402.1 million; and for water and sanitation from $44.2 million to $365.2 million.

117. Owing to the substantial fall in the price of oil, however, not all the recommendations, as endorsed by the Security Council, could be implemented in their entirety. It may be recalled that at the start of the programme, in December 1996, the price of a barrel of Iraqi oil was about $18, dropping precipitously to about $8 during phases IV and V. Thus the target revenue authorized by the Council in its resolution 1153 (1998) could not be achieved during those phases, and the total shortfall in revenue for humanitarian purposes exceeded $2.2 billion. Accordingly, by its resolution 1266 (1999), the Council authorized raising the revenue ceiling by up to $3.04 billion to address the deficit, in addition to the $5.2 billion already authorized, in order to provide the humanitarian programme with the revenues authorized but not generated under resolutions 1153 (1998) and 1210 (1998). Even then, however, despite the increase in oil exports and in the price of oil, the humanitarian deficit totalled $1.3 billion. At the start of phase VII in early December 1999, the humanitarian deficit for previous phases totalled $954 million.

118. In addition, the distribution plans introduced activities that had not been anticipated in my supplementary report. Thus, for instance, in phases IV to VI, $900 million was authorized for oil spare parts and equipment and, in phases V and VI, the Government budgeted $205.7 million for infrastructure support, including telecommunications, with an expansion of $472.9 million being foreseen for food handling and for transportation and logistics.

119. Given additional revenue of only $2 billion in phase IV and $2.5 billion in phase V, the total financial target set out in my supplementary report was met only in phase VI ($4.5 billion). Therefore, the real effects of the enhanced distribution plan for phase VI have yet to be realized.

120. Furthermore, in addition to revenues being lower than envisaged, in drawing up successive distribution plans the Government of Iraq did not accord the same priority to sectors as those recommended in my supplementary report. As a result, funds allocated to the health sector dropped from $210 million in phase III to $163.5 million in phase IV, and rose to $219 million in phase V and to $309 million in phase VI. Similarly, the water and sanitation, agriculture and education sectors reached or exceeded the level envisaged only in phase VI.

By contrast, electricity exceeded the proposed distribution plan allocation in all three phases; its phase VI allocation of $564 million represents a 16-fold increase compared with $35.5 million in phase III.

121. In its resolution 1284 (1999) the Security Council responded to concerns that the underlying weaknesses in the implementation of resolutions 986 (1995) and 1153 (1998) had not been adequately addressed and that, consequently, the improvements in the humanitarian situation had been below expectations. In its resolution 1284 (1999), the Council removed the ceiling for revenues earned from oil exports, allowing Iraq to export oil to its maximum capacity. With the present substantial increase in the price of oil and the improvements authorized by the Council for programme implementation, the programme should have the funds necessary to attain its objectives in a more satisfactory manner, subject to the full cooperation of all parties concerned, in particular in the review and approval of applications.

B. Implementation of the programme in central and southern Iraq

Food

122. Given that the nutritional status of the Iraqi population was below the WHO population-weighted food energy requirement of 2,210 kilocalories per person per day, in my supplementary report I recommended a threefold response, balancing the need for an enhanced food basket, increased food production and a targeted supplementary and therapeutic feeding programme for the severely malnourished and vulnerable groups (see S/1998/90, paras. 29-34).

123. Thus, a food basket target of 2,463 kilocalories and 63.6 grams of protein per person per day was recommended, with a view to meeting the immediate nutritional needs of the Iraqi population; an expansion in poultry production was envisaged in order to provide greater access to animal protein outside the food basket; and additional inputs for vegetable and fruit production were intended to boost the range of available micronutrients, vitamins and minerals.

124. For those with little or no access to foodstuffs except those provided in the food basket, I recommended the establishment of a supplementary feeding programme in the 15 governorates. In addition, a therapeutic feeding programme was recommended to ensure the early identification and rehabilitation of 30,000 severely and 700,000 moderately malnourished children under the age of five. Finally, I recommended a pilot programme through which supplementary food could be provided to schoolchildren.

125. During the period under review, the funding shortfall was compounded by other deficiencies in the implementation of the distribution plan. As an example, the nutritional level of the food basket envisaged in my report was not achieved, largely as a result of shortfalls in pulses and dairy products due to under-contracting by the Government of Iraq and poor supplier performance during the period from June 1998 to December 1999. However, overall, the effects of the shortfall were minimized by the Government, which complemented the basket from its own stocks. These advances were reimbursed in kind.

126. Against a target of 2,463 kilocalories and 63.6 grams of protein per person per day, on average the distribution plans for phases IV to VI budgeted for a basket of 2,180 kilocalories and 50.77 grams of protein. In spite of this, during this period the nutritional value of the distributed basket did not exceed, on average, 1,993 kilocalories and 43 grams of protein. Whereas prior to the start of the implementation of resolution 986 (1995) the Government had distributed a basket of some 1,300 kilocalories per person per day, the distribution plan increased this target to 2,030 kilocalories and in June 1998 to 2,300 kilocalories, though this level was not achieved.

127. The introduction of dairy products increased the amount and quality of protein in the basket. Similarly, the inclusion of weaning cereal has partially addressed the concerns of United Nations agencies at the inappropriateness of infant formula as the only foodstuff provided for infants.

128. Food prices on the open market have generally stabilized since the implementation of resolution 986 (1995). However, the majority of the Iraqi population spends a significant proportion of its income on purchasing food to supplement the rations, and although the Government provides additional subsidized foodstuffs to various beneficiary groups, distribution is irregular and the prices charged are beyond the reach of most Iraqis.

129. In this context, I regret that the Government has not included supplementary feeding programmes for those most in need, as had been recommended in my supplementary report, in any of the subsequent distribution plans, i.e., phases IV to VII. Similarly, the targeted nutrition programme suffered a very slow start-up. Although funding had been available since phase IV (30 May to 25 November 1998), it was not until late in phase VI (31 October 1999) that contracts amounting to two thirds of the distribution plan allocations were submitted for phases IV to VI.

130. However, there have been improvements, and the final contract necessary to reach the total required quantity of targeted nutritional supplies was submitted on 26 January 2000, bringing the total to $27.4 million for phases IV to VI. Supplies are now being distributed and observed by the United Nations. I am also pleased to note that, in its distribution plan for phase VII, the Government has made provision for more effective programme support in regard to logistics and infrastructure, valued at some $18.5 million.

131. Food, medicines and medical supplies for the whole of Iraq were provided under a bulk purchasing mechanism. As at 31 January 2000, over 13 million tons of food basket items valued at $4.4 billion (out of the total $5.4 billion value of approved applications) had reached the country for distribution to a total population calculated by the Government in phase VII to be 24.7 million people.

132. As at 31 January 2000, the total value of holds on applications for food was $5.8 million. Out of the total value of $639.7 million of applications submitted under the food-handling and food-processing subsector, the total value of applications approved was $308.8 million of which items with a total value of $219.7 million had reached Iraq. The total value of applications placed on hold is $185.5 million.

Health

133. In order to prevent further deterioration in the health status of the population throughout Iraq, I recommended in my supplementary report a substantial increase in the scale and scope of inputs, with a view to expanding public health care in both quantity and quality (ibid., paras. 35-37).

134. Such an increase would have made it possible to provide a sufficient and regular supply of medicines and medical supplies; efficient distribution and storage systems; infrastructure rehabilitation for a significant proportion of public health facilities at the primary, secondary and tertiary levels, as well as training of health-care personnel at all levels.

135. At the same time, however, it was recognized that health interventions, on whatever scale, required complementary inputs also in other sectors to ensure their effectiveness and to address underlying causes of poor health conditions. Thus, in the water and sanitation sector, in addition to adequate treatment of drinking water for the urban and rural population, improved distribution and sanitation networks were envisaged to reduce the risk of water-borne disease.

136. In the health sector, the increased arrival of supplies during phases IV to VI meant that the range of treatment expanded, such as the nearly fourfold increase in x-ray examinations. Likewise, as drugs became more widely available at all levels of health facilities, patient attendance increased by 46 per cent, and some 90 per cent of the essential drug needs of hospital in-patients were met. In addition, the distribution rate of medicines, medical supplies and equipment has steadily increased.

137. The above-noted significant improvements notwithstanding, I remain seriously concerned at key aspects in the provision of health care; improvements in neither the distribution of health care nor in the health infrastructure envisaged in my supplementary report have materialized. Erratic, the uncoordinated arrival of drugs to treat chronic disease has prevented the monthly requirements of all patients from being met, which may have contributed to the increase in deaths attributable to cardiac, diabetic, renal and liver disease reported by the Ministry of Health for the period from January to August 1999.

138. Acute respiratory infection likewise remains a major public health issue. A recent official survey revealed the need to greatly improve staff training to meet acceptable professional standards. Of all cases of acute respiratory infection, 16 per cent had pneumonia and 7 per cent had other severe illnesses. The study also reveals that no more than 1 child in 10 was being correctly treated, and that only 9 per cent of pneumonia cases were correctly treated. Similarly, a mere 4 per cent of children were systematically checked for danger signs. The survey also found that only 17 per cent of health workers had received adequate training.

139. A household survey of vaccination showed poorer coverage in certain categories than in 1994: delays in the arrival of vaccines under the programme, as well as lengthy quality control procedures, interrupted the immunization campaigns.

140. In the year before programme implementation began, the Government had imported medicines worth an estimated $50 million. As at 31 January 2000, health commodities valued in excess of $1.049 billion had been approved by the Security Council Committee, and supplies worth just under $803 million had arrived since the beginning of the programme, of which items worth some $567 million had been distributed to end-users throughout Iraq. The remaining medical supplies and equipment that have been delivered are either undergoing quality control procedures or are in warehouses. The total value of supplies still pending arrival under approved applications is $246 million. The total value of applications placed on hold as at 31 January 2000 was over $148 million.

Agriculture

141. I am pleased to report that in the agriculture sector many of the main recommendations contained in my supplementary report (ibid., para. 38) were initiated in the period under review. These include the poultry programme, greater irrigation inputs and enhanced support for fruit and vegetable production. In some cases, however, results have remained below target for different reasons. For instance, as a result of the foot-and-mouth disease epidemic and drought in 1999, funds had to be redirected from planned projects to meet those emergencies.

142. Similarly, in my supplementary report I identified the need for increased veterinary inputs in agriculture, not only to safeguard livestock production, but also to reduce the spread of vector-borne disease to humans. This in turn required the restoration of many state veterinary services, effective vaccination and epidemic control measures, particularly for foot-and-mouth disease, old-world screwworm and brucellosis.

143. Supplies worth $279.9 million had arrived as at 31 January 2000. Additional supplies are expected to arrive in Iraq under approved applications with a total value of $180.4 million. In 1999 some 49,000 tons of poultry broiler meat and over 188 million table eggs were produced using programme inputs. The vegetable cultivation area increased from some 310,000 hectares in 1997 to 375,000 hectares in 1999. During the same period, over $23 million worth of veterinary supplies and $121.2 million worth of agricultural machinery and irrigation inputs had arrived.

144. Programme inputs have helped to slow down the rate of deterioration of local food production, but were not sufficient to increase production at the national level. For example, although nearly all the planned farms were reactivated, egg production in 1999 fell below 10 per cent of the target. Yet, if measured in per capita terms, this still represented an increase from 1.2 to 10 eggs per year in the 15 governorates of the centre and south of Iraq.

145. Although the critical importance of the timely arrival of complementary inputs in the agriculture sector was stressed in my supplementary report, improvements in that regard have not yet been realized in practice. This has hampered fruit and vegetable production and the poultry programme as well as the veterinary services responsible for livestock vaccination.

146. In general, implementation of the programme in the agricultural sector was constrained by a lack of proper prioritization in the preparation of distribution plans, insufficiently coordinated contracting and submission, a large number of contracts on hold (as at 31 January, 90 contracts valued at $175.3 million were on hold), delayed arrivals and a lack of complementary items. That notwithstanding, although they were limited in volume, the distribution of irrigation inputs was efficient and equitable.

Water and sanitation

147. The overall situation in the water and sanitation sector has seen very little improvement over the past two years that can be ascribed to programme inputs, and this is for mainly two reasons: the insufficient level of funds in phases IV and V, $40 million and $127 million respectively, compared with my recommendation in my supplementary report of $290 million, and the high value of contracts on hold (as at 31 January, $95.6 million).

148. As at 31 January, $87.8 million worth of chemicals, supplies and equipment for water and sanitation had arrived in Iraq, including over 3,000 pumps to be delivered to over 800 locations for both water and sewage handling. As a result, compared with 1997, Ministry of Health bacteriological analyses in 1999 showed drops of between 20 and 90 per cent in contamination in all but 2 of the 15 governorates. The arrival of additional approved supplies with a total value of over $245 million is still pending. The total value of applications placed on hold was over $95.6 million.

149. Programme implementation has also been constrained by the absence of effective planning, delayed and uncoordinated arrival of supplies, insufficient skilled labour and inadequate local implementation budgets. The erratic electricity supply and the drought were likewise major problems. As a result, programme inputs have been able neither to increase the availability of drinking water nor to prevent continued leakage and associated contamination of the network. The water authorities were unable to provide service to some seven million inhabitants, mainly in rural areas.

Education

150. As in other sectors, the proposals for education contained in my supplementary report provided for more effective distribution of inputs and a major investment in infrastructure in order to improve the physical environment in which the inputs were to be used. I had observed that such initiatives were essential in creating an acceptable teaching and learning environment and improved school enrolment.

151. As at 31 January, over $49 million worth of educational supplies had arrived, of which supplies valued at $21 million had been distributed to schools and supplies worth nearly $13 million had been distributed to universities and colleges. The total value of supplies still pending under approved applications is $90.1 million. The total value of applications placed on hold was $46.3 million, involving mostly computers, generators and specialized equipment.

152. In the education sector, limited funding in phases IV and V focused efforts on the procurement of school supplies and furniture rather than on the rehabilitation of school facilities and infrastructure. Consequently, the majority of school facilities do not provide an appropriate teaching and learning environment.

153. Despite the fact that the quantity of inputs provided was insufficient to meet identified needs, it should be recognized that primary and secondary education has become dependent on imports obtained through the programme, simply because many categories of supplies and equipment cannot be procured locally.

154. A similar situation exists in higher education, where emphasis has also been on the procurement of maintenance, office and sports supplies, furniture and equipment, with similar inadequate results. The education sector has encountered the same constraints as all other sectors for which a major rehabilitation effort was envisaged in my supplementary report.

Electricity

155. In my supplementary report (ibid., paras. 26-28), I stated that reliable power generation and distribution underpinned health- and nutrition-related initiatives in all sectors, and I consequently made provision for immediate rehabilitation of generation units and maintenance of the sector's infrastructure. Because the scale of the problems and resources required to address them was beyond those of any other part of the distribution plan and could not be satisfactorily met within the framework of the programme, I invited the Security Council to consider the matter separately.

156. Although the total allocations under phases I to VI for the electricity sector ($1.12 billion) are second only to allocations for the food sector, and the installation rate in that sector (96 per cent of the value of goods delivered) is the highest rate of implementation in the programme, the deterioration of the network continued for two main reasons. First, the scale of inputs required was significantly greater than for other sectors, and second, as at 31 January, applications valued at $488 million were on hold. This has had a marked impact in delaying the completion of maintenance work, since priority necessarily continues to be given to the installation and repair of equipment in response to emergencies. As at 31 January, the total value of applications received was $1,346 million. Out of the total value of applications approved ($526.4 million), supplies with a value of $241.3 million had reached Iraq, with supplies valued at $285.1 million under approved applications awaiting delivery.

157. As a result, the electricity supply remains precarious, subject to seasonal variations, and it is not possible to reduce the increasing gap between supply and demand. Power cuts lasting 9 to 18 hours a day persist for the great majority of consumers. According to an official survey in August/September 1999, the total power shortage stood at 2,300 megawatts, reflecting in part reduced hydroelectric generation caused by the drought.

Telecommunications

158. In its enhanced distribution plan in phase IV, the Government of Iraq submitted proposals for telecommunication projects. In order to assess the justification for the projects in the context of the delivery of humanitarian supplies and the technical scope of the proposals, I recommended that a joint technical review be conducted between United Nations experts and the relevant technical ministries in Iraq. United Nations experts undertook three studies (in August 1998, March 1999 and May 1999) in conjunction with the telecommunication authorities in Iraq.

159. Following completion of the review, I informed the Security Council, in a letter dated 13 May 1999 (S/1999/559), that I had approved the proposals for phase V submitted by the Government of Iraq. In order to implement the programme on behalf of the Government in the three northern governorates of Iraq and to undertake United Nations sectoral observation activities in the 15 central and southern governorates, the United Nations has designated the International Telecommunication Union as the responsible agency in this regard.

160. As at 31 January, applications for 27 contracts valued at $140.6 million had been submitted for phases V and VI. Of those, 92.2 per cent and 100 per cent of the applications circulated to the Security Council Committee were on hold for phases V and VI respectively.

C. Programme implementation in the governorates of Dahuk, Erbil and Sulaymaniyah

161. In the three northern governorates of Dahuk, Erbil and Sulaymaniyah, where the United Nations implements the programme on behalf of the Government of Iraq, the project approach recommended in my supplementary report was adopted by the United Nations agencies and programmes (see S/1998/90, paras. 41-48).

162. In my report I emphasized the need to improve the rate of resettlement of internally displaced persons, as well as to address deterioration in the electricity, water and sanitation and agriculture sectors. It also called for marked improvement in the nutrition, health, education and mine-action sectors. In the three northern governorates, United Nations agencies have also been able to provide resources on a vastly larger scale than in the past, when they were dependent on donor contributions.

163. By and large, these priority objectives were respected in the distribution plans for phases IV to VI. The important allocation to the electricity sector was a notable deviation in project funding, resulting in a shift of funding levels below phase III for other sectors, namely, health, water and sanitation, agriculture and education.

Food

164. Under the programme, the Government of Iraq's food ration was extended for the first time since 1991 to the entire eligible population of over 3 million people, and a total of nearly 1.8 million tons of food ration commodities,

valued at over $611 million, was delivered to WFP for distribution. Furthermore, as part of its activities related to nutrition, over 52,000 tons of foodstuffs were purchased by WFP for supplementary feeding programmes for supporting vulnerable families, groups and social institutions. An indicator of the success of the supplementary feeding programme is the decreasing beneficiary caseload, which fell from 258,995 to 80,575 between phases IV and VI.

165. To improve the nutritional status of the population, specific focus was placed on enhancement of the food basket, targeted nutrition and food production, as well as growth promotion and the early detection of malnutrition among children under the age of five. As stated above, I am pleased to note that these objectives have to a large extent been met, as indicated by the significant drop in acute malnutrition and the decrease in chronic malnutrition.

166. UNICEF has been able to expand greatly its targeted nutrition project in primary health-care units and community child care units because of the inputs provided by the programme. As a result, nutritional surveys have shown a reduction in acute malnutrition in children under five years of age from 3.1 per cent in 1997 to 1.8 per cent in 1999. In the same period and for the same age group, chronic malnutrition fell from over 30 per cent to about 18 per cent.

167. Progress in plant and animal production has increased the availability and variety of foodstuffs, contributing to the improvement in nutritional status by making food more affordable. The reduction in the beneficiary caseload for the supplementary feeding programme for vulnerable groups, as referred to above, indicates a significant improvement in the nutritional status of the beneficiaries.

Health

168. Overall implementation in the health sector has improved, with a marked increase in the availability of consumables and intravenous fluids. Full courses of drug treatment are now being provided for chronic illnesses through pharmacies and hospitals. However, the objectives for the provision of medicines and medical supplies, procured in bulk by the Government of Iraq, have not been met in full. This is due partly to the fact that local health information systems remain largely ineffective in identifying priority requirements.

169. Recent surveys indicate that almost all primary health centres are now fully functional and that the number of centres offering specialized services, such as immunization and maternity care, has increased. In line with the global effort to eradicate polio, over half a million children under five years of age (95 per cent of the target) were immunized in six successive rounds. Nearly all the biomedical equipment that has been delivered has been installed. The rehabilitation of several warehouses has increased the capacity of safe and adequate storage, while repairs to health facilities have improved health care standards.

170. Waterborne diseases have been contained because of increased access to safe drinking water, better waste disposal and continuing epidemiological

surveillance. At present, 80 per cent of the rural population has access to safe drinking water, compared with only 60 per cent three years ago.

171. As at 31 January, medicines and medical supplies and equipment distributed in the three northern governorates amounted to $56.2 million. In addition to supplies procured through bulk purchases by the Government of Iraq, equipment valued at $35.4 million had been delivered out of $60.9 million worth of applications already approved. The total value of applications placed on hold, as at 31 January, is $1.1 million.

Agriculture

172. In the agriculture sector, the implementation of the programme has led to major improvements. I am pleased to report that a number of planned projects have been fully implemented, with some even exceeding the targets set in my supplementary report. Small-scale poultry farms (420) have been rehabilitated, resulting in a total production of over 6 million chickens per batch, causing a 60 per cent drop in the price of live chickens compared with prices before the start of the programme. The programme has also enhanced the productivity of local cattle and small ruminants, with livestock losses dropping by 80 per cent.

173. The rehabilitation of the forestry infrastructure included the establishment of eight nurseries, which produced 3.2 million seedlings. The reforestation of 2,250 hectares of land has been progressing well. These projects are intended to arrest environmental degradation caused by the exploitation of forests because of the shortage of other fuel sources.

174. I am pleased to report that three agro-processing plants have been completely rehabilitated and are producing tomato paste, fruit juice concentrate, dairy products and vegetable oil. However, several projects related to the rehabilitation of facilities for agricultural services, such as training and extension, have been only partly implemented. Furthermore, some activities, notably in the veterinary subsector, were limited by delays in procurement, lack of diagnostic abilities, late deliveries of vaccines and inadequate transport of supplies to the north. Frequent interference by the local authorities has also disrupted the smooth implementation of certain projects, and some could not be implemented because of the transfer of funds for emergency drought relief. The provision of water, animal and poultry feed as well as additional drugs and vaccines to the most drought-stricken areas averted a major crisis.

175. As at 31 January, supplies for agriculture, with a total value of $117.5 million, have been delivered to the three northern governorates. The arrival of additional approved supplies with a total value of $38.2 million is still pending, and the total value of applications on hold is $761,311.

Water and sanitation

176. As a result of requirements not foreseen at the time of my supplementary report, several construction projects were curtailed in order to meet more urgent needs. These included the repair and replacement of a large number of

pumps and additional supplies of water treatment chemicals to ensure the uninterrupted supply of safe water.

177. In the water and sanitation sector, water leakage and contamination has been reduced in the distribution networks, benefiting more than 700,000 people. Close to 900 rural water projects have benefited a further 290,000. Overall, projects have reached approximately one third of the population of the three northern governorates. In addition, community and household latrines have been built for 80,000 people.

178. Increasingly effective monitoring and surveillance in urban and semi-urban areas have improved water quality control and led to a reduction in the level of bacterial contamination, which is especially noticeable in the three major urban areas. Renovation and rehabilitation of existing water quality control laboratories and training of personnel will also contribute to this goal.

179. Overall progress, however, has been hampered by delays in the approval of contracts for the procurement of chemical reagents for water quality analysis; in turn this has also led to the non-utilization of equipment procured for water quality analysis. The reduction of contamination levels in the three major cities in the north has also been slowed by the erratic and severely limited power supply experienced during the recent drought.

180. As at 31 January, water and sanitation supplies with a total value of $57 million had been delivered to the three northern governorates. The arrival of additional approved supplies with a total value of $40 million is still pending. The total value of applications placed on hold is $154,216.

Education

181. In the education sector, the rehabilitation of schools and the provision of basic materials have resulted in some improvements in the teaching environment and have led to an increase in enrolment rates at both the primary and secondary levels. Although more than 1.5 million textbooks have been printed - a fourfold increase compared with annual production prior to the implementation of the programme - the relatively limited number of textbooks available remains a major constraint. The provision of additional textbooks has been delayed for an unacceptably long period of time because of the late procurement of printing materials and operational deficiencies in the public printing facilities in Baghdad.

182. An indication of achievements realized from phase IV to VI is that between the 1997/98 and the 1998/99 school years, secondary school enrolments increased by more than 43,000 children. Progress in the education sector has suffered, however, because of the limited expertise of the local authorities in the area of planning, but also because of insufficient coordination between the United Nations agencies concerned. The matter is being reviewed with the agency headquarters concerned in order to resolve the difficulties encountered.

183. As at 31 January, supplies for the education sector with a total value of $40.6 million had been delivered to the three northern governorates. Educational supplies worth over $37.3 million have been distributed to end-

users. The arrival of additional approved supplies with a total value of $24.5 million is still pending. The total value of applications placed on hold is $706,883.

Electricity

184. As highlighted in my supplementary report, the electricity sector was in urgent need of a strategic survey to assess network capacity, transmission and distribution systems and generation capacity (see S/1998/90, para. 46). This study was undertaken and provided the basis for a plan to refurbish and restore generation to a level sufficient to meet the needs of the three northern governorates.

185. Furthermore, with the introduction of direct execution, UNDP has delegated managerial responsibility for project implementation to its office in Erbil, under a programme director with an engineering staff of some 42 international and 125 local staff. A procurement office has been established in Amman to initiate all procurement action related to the electricity projects.

186. As recommended in my supplementary report, the structural repair and rehabilitation of the hydropower stations at the Derbendikan and Dokan dams was begun. Both projects were subject to extensive delays, however, due to managerial and contractual difficulties. Nevertheless, since only a portion of the recommended funding was required to undertake the projects proposed in my supplementary report, the balance of funds has been used to implement a series of other projects, including the installation of generation plants in each of the governorates, the upgrading of the transmission network and a full-fledged rehabilitation programme for the distribution network.

187. Notwithstanding the progress outlined above, the benefits of the projects have yet to be felt by the population. This is due to the drought and the preventive nature of dam rehabilitation and also because in such a relatively short period of time an increase in the generation capacity of the network could not be achieved. This is compounded by long lead-times involved in the manufacture, delivery and installation of electrical equipment as well as the absence of the engineering data necessary to ensure compatibility with countrywide standards and specifications.

188. In this context, it is regrettable to report that despite several requests that the Government of Iraq release essential data, these efforts have not been successful. Reconnection to the national electricity grid is technically the most efficient way to address the power supply shortage in the northern governorates because of the financial and logistical implications in providing sufficient fuel to generate power. This alternative requires that generation capacity in the centre and south be significantly expanded.

189. In this regard, on several occasions the local authorities have indicated that they would be prepared to accept reconnection to the national grid, provided that the United Nations, through the programme, supplied alternative sources of power to ensure that the electricity requirements of the three northern governorates were met on a reliable and continuing basis at all times.

190. As at 31 January, electrical equipment valued at over $59.6 million had arrived in the three northern governorates, of which nearly $47.8 million had been distributed to installation sites. The arrival of additional approved equipment with a total value of $101.7 million is still pending. Major work is now in progress at two hydropower plants to upgrade their generating units and to ensure their structural integrity. As an emergency drought relief measure, 377 generators have been procured to provide electricity to essential services, mainly water-pumping stations, and an additional 170 units have been allocated to health facilities.

191. However, it should be noted that in view of the greatly reduced inflows to the Derbendikan and Dokan irrigation dams in 1999 and insufficient precipitation over the recent winter season to replenish water levels, there is now a real prospect that the current hydroelectric output of less than one hour per day may represent the average daily output for the rest of the year. If additional water is released for irrigation, no further electricity generation from the hydroelectric stations will be possible. The United Nations, in consultation with the local authorities, is currently investigating short-term generation options to cover the essential needs of the population over the coming months.

192. The delivery of additional approved supplies for the electricity sector, with a total value of $101.7 million, is still pending, and no holds have been placed on any applications.

Settlement rehabilitation

193. In my supplementary report, special emphasis was placed on the need to accelerate the rate at which internally displaced persons could be better housed and supported, and, in particular, to facilitate the resettlement of families in their villages of origin (ibid., para. 48). This task was to be reinforced through the speeding up of mine clearance.

194. At present, more than 7,000 internally displaced families out of the targeted 15,000 (approximately 56,000 persons) have received direct assistance. For the internally displaced persons already resettled, some impressive results in the construction of family homes and the provision of basic infrastructure and services have been registered. Nearly 5,000 houses have been built by the United Nations Centre for Human Settlements (Habitat) to house internally displaced families. However, much of this sector's performance is dependent on the local capacity to undertake construction work and, with the increasing volume of work being generated by the programme, that capacity may be reaching its limit.

195. As at 31 January, supplies and funds worth $66.8 million had arrived for the rehabilitation of settlements, of which $42 million has been utilized or disbursed, including some $20 million for resettlement, nearly $7 million for water and sanitation projects and some $12 million for educational facilities.

Mine-related activities

196. In the area of mine-related activities, the rate of mine clearance has increased and the marginal cost of the activity has been reduced owing to the

deployment of dog teams. In addition, the training provided by international staff to local deminers and survey teams, dogs and their handlers and staff of the prosthetic centres for mine victims have helped to build local capacity for the long-term sustainability of demining in the north.

197. Supplies and funds worth over $21 million have arrived or been disbursed for United Nations mine-related activities. To date, the mine-action programme has surveyed 740 million square metres, making possible the identification of more than 3,000 new minefields since the start of the programme. More than 1,700 mines and over 4,500 items of unexploded ordnance have been destroyed, resulting in the clearance of over 2.3 million square metres of land.

198. Minefields that have been completely cleared and handed back include agricultural land, pastures, orchards and fuel-collection areas. In addition, by clearing access roads and adjacent areas, much larger areas have been freed and have become accessible, although it is difficult to quantify this area with any precision.

199. In the demining sector, a major programme of training has been initiated for local staff, resulting in the establishment of 13 mine-clearance teams and 18 survey teams. Programme inputs have enabled three rehabilitated prosthetic centres to treat more than 4,000 outpatients.

200. However, the progress of the demining programme is severely hampered by the fact that currently 198 mine detectors, purchased under phase VI, are still awaiting clearance for import by the Government of Iraq.

VI. OBSERVATIONS AND RECOMMENDATIONS

201. The adequacy of the programme to address the basic humanitarian needs of the Iraqi population has been a continuing concern throughout the period of implementation of Security Council resolution 986 (1995).

202. At the outset of the implementation of the programme in 1997, the rate of deterioration of the basic infrastructure was accelerating, exacerbating the overall poor nutritional status of the population and undermining public health. This required efficient procurement and distribution systems and a broader range of inputs, financed at a much higher level than was initially envisaged ($1.32 billion per phase). Although by its resolution 1153 (1998) the Security Council authorized an increase in the funding level of the programme from $1.32 billion to $3.4 billion per phase, and the distribution plans for phases IV and V sought to address these shortcomings, the time-frame required to halt deterioration of the humanitarian situation proved to be much longer than anticipated because of the serious funding shortfall due to unexpectedly low oil prices. The total funding shortfall for those two phases was $2.2 billion.

203. Despite the difficulties and shortcomings that have been identified in the present report, the programme has provided substantial assistance in all sectors to address pressing humanitarian needs affecting the lives of the Iraqi people. The total amount of funds made available for the implementation of the programme from December 1996 to 31 January 2000 was $13.2 billion. As at 31 January, the

total value of the supplies that had been delivered to Iraq was $6.7 billion - including over 13 million tons of food basket items valued at $4.4 billion and health supplies worth just under $840 million. Additional approved supplies with a total value of $2.7 billion were awaiting delivery, and additional supplies were being contracted during phase VII.

204. By adopting resolution 1284 (1999) on 17 December 1999, the Security Council has responded to concerns that the underlying weaknesses in the implementation of resolutions 986 (1995) and 1153 (1998) had not been adequately addressed and that, consequently, improvements in the humanitarian situation have been below expectations. I am hopeful that effective implementation of the provisions of section C of the resolution will enhance the impact of the programme in alleviating the humanitarian situation in Iraq.

205. By its resolution 1284 (1999) the Council also lifted the ceiling on revenues earned by oil exports which, coupled with the present substantial increase in the price of oil, will make more funds available for the implementation of the programme. However, lifting the ceiling and authorizing improvements in programme implementation alone will not suffice. The effectiveness of the programme has suffered considerably, not only because of shortfalls in the funding level but also because of the very large number of applications placed on hold, in particular those concerning electricity, water and sanitation, transport and telecommunications, which impact all sectors. The total value of applications placed on hold as at 31 January was over $1.5 billion. A determined effort must be made by all parties concerned to collaborate effectively with a view to making further improvements in the implementation of the programme. In this regard, I should also like to reiterate my appeal for a further review and reconsideration of positions taken with regard to applications placed on hold.

206. In this regard, I have directed the Office of the Iraq Programme to review further the information requirements of the Security Council Committee in respect of applications placed on hold. I have also directed the Office to identify ways in which the observation mechanism can more effectively track and report on a programme that is rapidly increasing in size and complexity and to enhance observation procedures for items of special interest to the Security Council Committee.

207. I wish to draw the attention of the Government of Iraq to the recommendations contained in my supplementary report (S/1998/90) that remain to be addressed, and further call upon the Government:

(a) To move away from an inventory-based approach to the distribution plan in favour of a project-oriented one, an approach already adopted for the oil sector;

(b) To share with the programme all existing baseline data relevant to the programme, and where such data do not exist to collaborate with the programme in collecting such data through joint surveys and reviews. This in turn will require the establishment of appropriate information systems and capacity-building within the technical ministries, local authorities and United Nations agencies, in both their implementation and observation functions, and I appeal

to the members of the Security Council Committee to participate in this exercise by facilitating the import of the necessary equipment;

(c) To share all technical data related to the electricity grid in the three northern governorates so that the rehabilitation there is compatible with established Iraqi engineering standards and specifications;

(d) To consider employing internationally recognized pre-shipment inspection agents at the port of shipment using funds in the United Nations Iraq account to improve food quality control. Likewise, the Ministry of Trade should seek to ensure that each commodity is contracted in full and that appropriate safeguards are in place against poor supplier performance;

(e) To strengthen cooperation with United Nations observers to ensure unhindered and timely access to all facilities and end-users, notably in the health and education sectors;

(f) To ensure that the food basket is distributed regularly and in full each month in order to meet the current nutritional target of 2,300 kilocalories and 54.2 grams of protein per person per day. However, this requires full implementation of my recommendations on supplementary feeding programmes. Until these essential measures are implemented, the Government's distribution plan should retain the target provision for the food basket of 2,463 kilocalories and 63.6 grams of protein per person per day to meet the immediate nutritional needs of the Iraqi population;

(g) To establish efficient distribution networks for targeted nutrition and supplementary feeding programmes;

(h) In view of the large funding shortfall in the health sector in phases IV to VI, to ensure adequate funding for both to cover recurrent costs and to provide the framework for the restoration of the basic public health care system. This includes the storage, testing and distribution of drugs, both imported and those manufactured locally. This would also assist in the rehabilitation of major health facilities, upgrade the training of health care staff and support primary health care services;

(i) To improve the delivery and administration of drugs for chronic illnesses and ensure that sufficient quantities of anti-infectious and anti-tuberculosis drugs are ordered and distributed.

208. Furthermore, I recommend that the Security Council Committee:

(a) Improve further its working procedures and understandings with a view to expediting the approval of applications;

(b) Identify with greater clarity the reasons for which applications have been placed on hold so that the Office of the Iraq Programme, in consultation with all concerned, may provide all available information to facilitate the lifting of such holds, which have reached an unacceptably high level;

(c) Streamline the processes by which such holds can be lifted. This applies particularly to applications that relate to basic infrastructure, including the electricity, water and sanitation, telecommunication and transport systems;

(d) Renew its efforts to reach consensus on the proposal submitted by the Office of the Iraq Programme on 11 February 1999 for a new system to expedite the rate at which funds are reimbursed from the ESC (13 per cent) to the ESB (53 per cent) accounts;

(e) Review further the options contained in the paper submitted on 7 July 1999 by the Office of the Iraq Programme concerning payment clauses for the ESB (53 per cent) account in order to meet the legitimate need to provide commercial protection for purchases made by the Government of Iraq within the provisions of the rules and regulations governing the implementation of the programme. It should be noted that even the most reputable suppliers may sometimes inadvertently ship the wrong items or items that do not fully conform to the terms of a contract;

(f) To address the difficulties encountered in the appointment of additional oil overseers in order to correct the present untenable situation.

209. It may be recalled that in paragraph 20 of resolution 1284 (1999), the Security Council decided to suspend, for an initial period of six months from the date of the adoption of the resolution and subject to review, the implementation of paragraph 8 (g) of resolution 986 (1995). I therefore wish to reiterate my recommendation contained in my report submitted to the Council pursuant to paragraph 32 of resolution 1284 (1999) (S/2000/22, para. 6), that, subject to approval by the Council, the Secretariat will reallocate these funds to the ESB (53 per cent) account. This would raise the allocation percentage as set out in annex III to my report of 25 November 1996 (S/1996/978) of net oil proceeds for the ESB (53 per cent) account from 53.034 per cent to 54.034 per cent.

210. I am very much concerned with the deteriorating condition of the oil industry of Iraq, as reconfirmed by the recent comprehensive survey of the industry by the group of oil experts I established pursuant to paragraph 30 of resolution 1284 (1999). Accordingly, I should like to reiterate my earlier recommendation that the Security Council approve the request to increase by $300 million the allocation for oil spare parts and equipment for phase VI, bringing the total allocation for phase VI to $600 million (see S/2000/26). I also recommend that the Council approve the allocation of an additional $300 million for spare parts and equipment for phase VII, bringing the total allocation during that phase to $600 million in order to sustain production levels at, or even near, current levels and in order to offset permanent damage to oil-bearing structures in Iraq.

211. Raising the level of allocations alone is not sufficient, however. A special effort must be made to approve most expeditiously the applications for oil spare parts and equipment. The total value of applications placed on hold as at 31 January 2000 was $291 million, more than half of the total of $506 million approved.

212. I also wish to recommend to the Council that it consider forgoing the requirement for a 90-day report on the implementation of the programme. Given the weekly and monthly application status reports, monthly implementation reports and briefings provided to the Committee and my 180-day report to the Council, it is my view that the need for a 90-day report has abated over the three years since the commencement of the implementation of the programme.

213. Notwithstanding the Council's readiness to consider arrangements enabling Iraqi pilgrims to perform the haj, it once more proved impossible last month to arrive at agreed arrangements in this regard (see S/2000/166, S/2000/167 and S/2000/175). It is my sincere hope that the Council will find a way of effectively overcoming the impediments that continue to prevent pilgrims from fulfilling their religious duties. I stand ready to assist the Council in search of an arrangement acceptable to all concerned.

214. Despite the measures adopted to improve the funding level and widen the scope of the programme, its full potential has not been attained because of numerous difficulties described in the present report. Accordingly, I should like to appeal once more to all concerned to intensify their efforts in order to enable the programme to address more effectively the difficult conditions under which the Iraqi people continue to live.

215. Finally, I wish to recognize the work of all United Nations staff, both in Iraq and at Headquarters, who have been fulfilling the mandate given to the programme by the Council in its resolution 986 (1995) with the highest degree of professionalism and commitment.

Annex I

Status of the United Nations accounts pertaining to the Iraq programme

1. As at 31 January 2000, $740.8 million had been deposited into the account for phase VII as authorized under resolutions 1281 (1999) and 1284 (1999), bringing the total oil sales since the inception of the programme to $21,476.5 million.

2. The allocation of total oil proceeds received from inception to date and the corresponding expenditures are as follows:

(a) $10,982.9 million has been allocated for the purchase of humanitarian supplies by the Government of Iraq, as specified in paragraph 8 (a) of Security Council resolution 986 (1995). Also, $211.4 million of interest earned in this account was available for the purchase of humanitarian supplies in the central and southern governorates of Iraq. In addition, $192.0 million was due for the reimbursement of the Government of Iraq for bulk purchases it made for northern Iraq that were distributed by the United Nations inter-agency humanitarian programme. Letters of credit issued by the Banque nationale de Paris on behalf of the United Nations to pay for humanitarian supplies for Iraq amounted to $8,322.1 million under phases I to VII;

(b) $2,666.3 million has been allocated for the purchase of humanitarian goods to be distributed in the three northern governorates by the United Nations inter-agency humanitarian programme, as specified in paragraph 8 (b) of resolution 986 (1995) and as revised by paragraph 2 of resolution 1153 (1998). Expenditures recorded for humanitarian goods approved by the Security Council Committee amounted to $1,562.7 million;

(c) $6,418.9 million has been transferred directly into the United Nations Compensation Fund, as specified in paragraph 8 (c) of resolution 986 (1995). As at 31 January 2000, a total of $175.3 million had been allotted to cover the operating expenditures of the Compensation Commission up to 31 December 2000, and $5,632.3 million had been allotted for payment of various instalments of "A", "C", "D", "E" and "F" claims;

(d) $454.3 million has been allocated for the operational and administrative expenses of the United Nations associated with the implementation of resolution 986 (1995), as specified in paragraph 8 (d) of the resolution. Expenditures for administrative costs for all United Nations entities involved in implementing the resolution amounted to $241.8 million;

(e) $154.0 million has been allocated to the United Nations Special Commission for the disarmament of Iraq for its operating expenses, as specified in paragraph 8 (e) of resolution 986 (1995). Expenditures of the Commission amounted to $74.4 million;

(f) $680.7 million has been set aside for transportation costs related to the export of petroleum and petroleum products originating in Iraq via the

Kirkuk-Yumurtalik pipeline through Turkey, in accordance with paragraph 8 (f) of the resolution and in line with procedures adopted by the Security Council Committee. Of that amount, $566.9 million has been paid to the Government of Turkey;

(g) $119.5 million has been transferred directly to the escrow account established pursuant to resolution 706 (1991) of 15 August 1991 and 712 (1991) of 19 September 1991 for the repayments envisaged under paragraph 6 of resolution 778 (1992) of 2 October 1992, as specified in paragraph 8 (g) of resolution 986 (1995) and subsequently in my report to the Council (S/1996/978, para. 34). Transfers to this account have been suspended in accordance with paragraph 20 of Council resolution 1284 (1999) of 17 December 1999. The total of repayments made amounted to $119.5 million.

Annex II

Number and value of letters of credit pertaining to oil proceeds and humanitarian supplies

Oil proceeds

Phase	Last deposit	Number of letters of credit	Value of letters of credit from oil sales (United States dollars)
I	27 June 1998	123	2 149 806 395.99
II	2 January 1998	130	2 124 569 788.26
III	30 June 1998	186	2 085 326 345.25
IV	28 December 1998	280	3 027 147 422.35
V	25 June 1999	333	3 947 022 565.12
VI	23 December 1999	352	7 401 894 881.57
VII (current)	As at 31 January 2000	124	740 768 004.85
Total		1 528	21 476 535 403.39

Humanitarian supply letters of credit for ESB (53%) account and bulk procurement

Phase	Number of letters of credit opened	Value of letters of credit opened (United States dollars)	Bank payments made on delivery (United States dollars)
I	870	1 229 078 786.69	1 225 251 899.20
II	538	1 197 759 389.19	1 160 567 224.15
III	669	1 209 273 197.37	1 152 163 603.86
IV Humanitarian supplies	683	1 567 882 477.78	1 254 761 601.47
IV Oil spare parts	450	248 088 651.08	155 061 781.44
V Humanitarian supplies	897	1 509 161 093.02	911 698 862.93
V Oil spare parts	332	146 169 055.45	22 263 661.15
VI Humanitarian supplies	590	1 180 154 628.39	92 437 245.50
VI Oil spare parts	80	34 527 371.30	1 908 169.00
VII (current)	0	-	-
Total	5 109	8 322 094 650.27	5 976 114 048.70

UNITED NATIONS **A S**

General Assembly
Security Council

Distr.
GENERAL

A/54/792
S/2000/209
13 March 2000
ENGLISH
ORIGINAL: FRENCH

GENERAL ASSEMBLY
Fifty-fourth session
Agenda item 20 (b)
STRENGTHENING OF THE COORDINATION OF HUMANITARIAN AND DISASTER RELIEF ASSISTANCE OF THE UNITED NATIONS, INCLUDING SPECIAL ECONOMIC ASSISTANCE: SPECIAL ECONOMIC ASSISTANCE TO INDIVIDUAL COUNTRIES OR REGIONS

SECURITY COUNCIL
Fifty-fifth year

Letter dated 10 March 2000 from the Permanent Representative of Portugal to the United Nations addressed to the Secretary-General

I have the honour to bring to your attention the statement on humanitarian aid in southern Sudan issued on 8 March 2000 by the Presidency of the European Union on behalf of the Union (see annex).

I should be grateful if you would have the text of this letter and its annex circulated as a document of the General Assembly and of the Security Council.

(Signed) Antonio MONTEIRO
Permanent Representative of Portugal
to the United Nations

Annex

[Original: English and French]

Statement on humanitarian aid in southern Sudan issued on 8 March 2000 by the Presidency of the European Union on behalf of the European Union

The European Union expresses its grave concern at the conditions imposed by the Sudanese People's Liberation Movement/Sudan Relief and Rehabilitation Agency (SPLM/SRRA) on non-governmental organizations working in southern Sudan, which have led to the withdrawal of many of those organizations.

The European Union, one of the largest donors of humanitarian aid to the areas controlled by SPLM/SRRA, is particularly worried by the consequences of this situation, which will threaten the lives of thousands of people already in danger because of the civil war in the country. It is also concerned at the greater risks for the safety and equipment of humanitarian staff.

The European Union urges SPLM/SRRA to resume negotiations with the non-governmental organizations as soon as possible with the objective of creating conditions that will allow all such organizations to carry out humanitarian operations unhindered and in accordance with international humanitarian law.

The Central and Eastern European countries associated with the European Union, the associated countries Cyprus, Malta and Turkey and the European Free Trade Association countries members of the European Economic Area align themselves with the present statement.

UNITED NATIONS **A S**

General Assembly
Security Council

Distr.
GENERAL

A/54/794
S/2000/210
13 March 2000

ORIGINAL: ENGLISH

GENERAL ASSEMBLY
Fifty-fourth session
Agenda item 76
GENERAL AND COMPLETE DISARMAMENT

SECURITY COUNCIL
Fifty-fifth year

Identical letters dated 10 March 2000 from the Chargé d'affaires a.i. of the Permanent Mission of New Zealand to the United Nations addressed to the President of the General Assembly and the President of the Security Council

I have the honour to forward to you the attached resolution on nuclear disarmament adopted by the New Zealand Parliament on 23 February 2000 (see annex).

I would be grateful if you would have the present letter and its annex issued as a document of the fifty-fourth session of the General Assembly, under agenda item 76, and of the Security Council.

(Signed) Trevor HUGHES
Chargé d'affaires a.i.

00-34041 (E) 150300

/...

Annex

Resolution on nuclear disarmament adopted by the New Zealand Parliament on 23 February 2000

The Parliament of New Zealand resolves, relying upon:

- The Universal Declaration of Human Rights;
- The Treaty on the Non-Proliferation of Nuclear Weapons;
- The final document of the first United Nations special session devoted to disarmament;
- The New Zealand Nuclear-Free Zone, Disarmament and Arms Control Act 1987;
- The unanimous finding of the International Court of Justice and its advisory opinion on the legality of the threat or use of nuclear weapons that

  > "there exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control";

- The unanimous report of the Canberra Commission on the Elimination of Nuclear Weapons;
- The (Eight) Foreign Ministers' Joint Declaration 1998;
- And the Nuclear-Test-Ban Act 1999;

as a mark of the dawning of the year 2000, to appeal to all fellow Member States of the United Nations, and especially the nuclear-weapon States, to join with New Zealand in fulfilling the obligation to pursue in good faith and to bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control; and that the text of this resolution be conveyed by the Government to each and every Member State of the United Nations by the most effective diplomatic means available; and that copies of the resolution be simultaneously communicated by the Government to the Secretary-General, the President of the General Assembly, the President of the Security Council, the Chairman of the Conference on Disarmament and the President of the International Court of Justice; and that the Government of New Zealand work for the fulfilment of the obligation in all appropriate international forums.

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/2000/211
13 March 2000

ORIGINAL: ENGLISH

LETTER DATED 6 MARCH 2000 FROM THE PERMANENT REPRESENTATIVE OF BOSNIA AND HERZEGOVINA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to present to you the report of the Presidency of Bosnia and Herzegovina on the implementation of the New York Declaration, dated 28 February 2000 (see annex). The report was prepared in accordance with the conclusions of the New York Declaration of 15 November 1999.

May I ask for your kind assistance in circulating the present letter and its annex as a document of the Security Council.

(Signed) Muhamed SACIRBEY
Ambassador
Permanent Representative

00-34128 (E) 170300

Annex

Report of the Presidency of Bosnia and Herzegovina on the implementation of the New York Declaration

In accordance with the conclusions of the New York Declaration of 15 November 1999, the Presidency of Bosnia and Herzegovina prepared a report for the Security Council on the implementation of commitments pertaining to that document. The purpose of the New York Declaration was to speed up the implementation of the Dayton Agreement, the democratization process and to strengthen the institutions of Bosnia and Herzegovina. The Presidency has, in the said period of time, regularly considered and made decisions on issues pertaining to the Declaration. The achieved results are shown in the text below, by sections.

1. Border Service

On 24 December 1999, the Presidency of Bosnia and Herzegovina, at its 62nd session, passed the draft Law on Border Service, with established deadlines and guidelines from the New York Declaration, and the Law has been forwarded to the Parliament of Bosnia and Herzegovina for further procedure. Unfortunately, the Law was not passed in the Parliament, so the High Representative, using his authority, imposed it. Also, it should be emphasized that the training process of the future Border Service staff is running as envisaged. The first Border Service unit was formed in mid-February and it will assume its duties in March. Deployment of border service officers to foreseen locations and border lines in the country will mark the beginning of the last phase in the establishment of the Border Service. At its 66th session, held on 9 February 2000, the Presidency appointed the Director and Deputy Director of the Border Service, in accordance with commitments in the Law on Border Service. At its 67th session, the appointed leading officers of the Border Service were tasked to harmonize the organization and structure of the service, within 15 days, and to present it to the Presidency for adoption, an action which is currently in progress.

2. Presidency of Bosnia and Herzegovina secretariat

At its 64th session, held on 23 December 1999, the Presidency of Bosnia and Herzegovina made a decision on establishment of the secretariat of the Presidency and also adopted the Book of Rules of the Organization and the Job Classification in the secretariat. At its 66th session, the Presidency appointed the leadership of the secretariat and thus initiated its work. In addition, space was made available for the secretariat operations within the Presidency building. In that way, the Presidency met the commitments pertaining to this issue in the New York Declaration. The filling of other vacancies in the secretariat is in progress.

3. Council of Ministers

Observing the decision of the Constitutional Court on the certain parts in the Law on the Council of Ministers that are opposed to the Constitution, the Presidency of Bosnia and Herzegovina, at its 64th session, held on

23 December 1999, made a decision on the reorganization of the Council of Ministers. At its 66th session, the Presidency harmonized the new structure of the Council of Ministers based on recommendations of the Madrid Declaration, and thus paved the way for a more efficient functioning of the Council of Ministers.

Concerning the adoption and increase of the budget for institutions of Bosnia and Herzegovina, at its 61st session, held on 9 December 1999, the Presidency adopted the budget, with anticipated funding for newly established institutions of the joint services, the Border Service and the Secretariat of the Military Committee. It needs to be emphasized that the Constitutional Court budget was increased from KM 600,060 last year to KM 1,203,900 this year. Also, within the International Monetary Fund guidelines on the budget formation for Bosnia and Herzegovina, funds for activities of existing Ministries in the Council of Ministers were secured.

4. Electoral Law

Starting from the conclusion that the Electoral Law is of paramount importance for the future of Bosnia and Herzegovina, integration processes and democratization of Bosnia and Herzegovina, the Presidency of Bosnia and Herzegovina offered full support for the urgent passage of the Law, as the Presidency is of the opinion that every delay in this matter will slow down the initiated democratic processes in Bosnia and Herzegovina. The importance of harmonization of the Electoral Law with internationally recognized standards and the Constitution of Bosnia and Herzegovina is emphasized in the New York Declaration. At the 61st session of the Presidency, foundations for the Electoral Law were determined and those are in complete accordance with the adopted conclusions of the New York Declaration. Since the first version of the Electoral Law was presented, the Office of the High Representative for Bosnia and Herzegovina and the Organization for Security and Cooperation in Europe have made changes in the Law and the new version is still being discussed in the Parliament.

5. Participation of Bosnia and Herzegovina in United Nations peace operations

Starting from the importance of the participation of Bosnia and Herzegovina in United Nations peace operations in the world, the Presidency offered full support to this initiative. In cooperation with the United Nations Mission in Bosnia and Herzegovina (UNMIBH), 20 police officers completed training and are ready to leave in the first peace mission to East Timor. Simultaneously, preparations are in progress to establish the first military peace forces of Bosnia and Herzegovina, which would be involved in crisis situations in various parts of the world. The Presidency also offered its support for this project at its 68th session.

6. Struggle against corruption

At its 65th session, the Presidency of Bosnia and Herzegovina made a decision on accession to the Regional Centre South-east Europe Cooperative Initiative (SECI), for struggle against international crime, and thus actively participated in the regional security initiative, which will become part of the

Stability Pact project. At its 67th session, the Presidency supported the anti-corruption initiative of the working group for security, and presented 11 projects for security in the civilian and military field. At its 68th session, the Presidency also made a decision on signing the civic-legal convention of the Council of Europe for the struggle against corruption. The Presidency also established that the status of a wide range of activities related to the strengthening of institutions for the struggle against corruption is satisfactory. The Presidency also urged all relevant institutions in Bosnia and Herzegovina to cooperate with the international community in the acceleration of this process, as well as in the prevention and removal of such harmful occurrences in Bosnia and Herzegovina.

7. Establishment of the central database and unique passport for Bosnia and Herzegovina

Within the Ministry of Civil Affairs and Communications, a central database is in the final phase of establishment. The Presidency of Bosnia and Herzegovina expressed its strong support for the project and forwarded the changes to the Law on Passports to the Parliament, referring to the new passport, which will have only Bosnia and Herzegovina written in Latin and Cyrillic script on the cover.

8. The report of the Security Council on the return of refugees

The Law on Refugees and Internally Displaced Persons, which entered into force on 31 December 1999, envisaged the establishment of a Committee for the Implementation of the Return Programme. On 14 February 2000, the Council of Ministers and Entity Governments nominated members to this Committee, who were subsequently appointed by the Presidency of Bosnia and Herzegovina. This Committee will, in the shortest time possible, make a report on the implementation of annex 7 of the Dayton Peace Agreement (on the return of refugees). Following the provisions of the New York Declaration concerning the participation of international community representatives in the work of this Committee, the participation of Werner Blatter, Chief of Mission of the Office of the United Nations High Commissioner for Refugees (UNHCR), was confirmed.

The report of the working group on the current situation regarding the return of refugees and internally displaced persons and on progress in the return process in Bosnia and Herzegovina is attached as an enclosure to the present report.

Enclosure I

Preliminary report of the Committee for the Implementation of the Return Programme

I. INTRODUCTION

With the aim of carrying out the commitments of the New York Declaration, on 23 February 2000, the Presidency of Bosnia and Herzegovina reached a decision on the establishment of the Committee for the Implementation of the Return Programme consisting of representatives of the Office of the United Nations High Commissioner for Refugees (UNHCR), representatives of the three constituent peoples of Bosnia and Herzegovina and representatives of the relevant Ministries of the Federation of Bosnia and Herzegovina and the Republika Srpska.

The establishment of this Committee is also envisioned by the Law on Refugees from Bosnia and Herzegovina and Internally Displaced Persons in Bosnia and Herzegovina and, according to that Law, the most important tasks of the Committee are supervision, coordination and inter-entity consultation on implementation of the return programmes, as well as on all other issues pertaining to creating conditions conducive to the return of refugees and internally-displaced persons in Bosnia and Herzegovina.

The Commission held its first session on 23 February 2000, during which, inter alia, an agreement was reached on preparing a report on the current situation regarding the return of refugees and internally displaced persons and on progress in the return process in Bosnia and Herzegovina, to be presented to the Security Council for its consideration.

II. CURRENT POLITICAL, LEGAL AND MATERIAL/FINANCIAL PREREQUISITES FOR THE RETURN OF REFUGEES AND INTERNALLY-DISPLACED PERSONS IN BOSNIA AND HERZEGOVINA

During 1999, particularly in the second half of the year, a more favourable environment for return was created compared to previous years.

On the ground, stronger political will, as seen in the broader engagement of the State authorities of Bosnia and Herzegovina on the issues of the return and creation of political and legal prerequisites, was demonstrated. Although we are not completely satisfied with the level of achievement, significant progress has been made, particularly in the area of so-called minority returns, through the opening of other towns, and even some regions in Bosnia and Herzegovina, to the return of refugees and internally-displaced persons.

This positive development is the result of more active interrelations and increased cooperation between the entity Governments as well as joint visits on the ground. However, entity Governments and the international community have not provided sufficient material and financial support for the return.

Through more active and timely delivery of material and financial support for housing renovation, and the revitalization of the economy and infrastructure, returns will be sustainable, thus creating a solid basis for the continuation of further returns in larger numbers to these areas, particularly minority returns.

Simultaneous with the creation of a more favourable environment for the return on the ground, the authorized ministries of Bosnia and Herzegovina and its entities made a big step forward by adopting laws relative to the refugees and other related areas.

Thus, on 23 December 1999, the State Law on Refugees and Internally Displaced Persons in Bosnia and Herzegovina, a fundamental and systematic law that provides equal regulations related to the issues of the return for the entire territory of Bosnia and Herzegovina, was adopted.

Furthermore, entity laws and regulations that further regulate the rights of refugees and the issues of operative procedure of return have also been adopted.

In order to address the concrete operative procedures the administrative authorities, in cooperation with UNHCR, have initiated the Return Application Database System project (RADS), which was based on and harmonized with the State and Entity Governments' instructions on ways of organizing the return of refugees and internally-displaced persons in Bosnia and Herzegovina.

In over 150 computerized locations throughout Bosnia and Herzegovina, at all levels, from municipal to State, the RADS software has been installed and is currently in use.

As of February 2000, in both entities of Bosnia and Herzegovina, over 100,000 family applications have been stored on database, which means that over 400,000 persons have applied for return.

Currently the applications are in the process of being assessed in order to estimate the level of devastation and the possibility of moving back into housing units.

The Steering Board and the executive bodies of RADS have already been established.

RADS is a basis for future activities and a step forward in the direction of the preparations for massive, organized return of refugees and internally displaced persons. It is a very dependable base for planning and developing the Return Programme in Bosnia and Herzegovina.

The Committee has already made the first steps and, with UNHCR, has commenced the elaboration of the Return Programme.

A valuable contribution to the creation of a favourable and safe legal framework was also made by the Office of the High Representative for Bosnia and

Herzegovina through its efforts to harmonize property and housing legislation throughout the country.

The Amnesty Law, as well as the Law on Customs Privileges, which are favourable to the returnees to Bosnia and Herzegovina, have also been adopted.

There is also a whole range of other administrative measures that have been taken in Bosnia and Herzegovina in order to simplify the process of the return and secure the safety of its citizens, inter alia, measures pertaining to the procedure of submitting return applications, the registration of refugees, the issuance of identification documents and travel documents, and to freedom of movement.

The UNHCR mission in Bosnia and Herzegovina, in cooperation with the State authorities and authorized international institutions, is currently working on a document under the working title "Simplified Procedure of Return", aimed at finding the modalities for simplifying the procedure for return (verifying citizenship, obtaining travelling documents for returnees, tax privileges, etc.).

The Federation of Bosnia and Herzegovina and the Republika Srpska made a joint presentation at the Stability Pact, submitting the joint project entitled "Project for the Return of Refugees and Internally Displaced Persons in Bosnia and Herzegovina 2000-2001", which was introduced in an affirmative manner under the title "Everybody to his/her Home".

The total cost of this project is $1 billion, and its realization would create conditions for the return of 100,000 families, that is 400,000 persons, in Bosnia and Herzegovina.

In addition to pledged international assistance, despite a very complex socio-political situation, continuous efforts are being made for the contribution of a portion of the necessary means from our own resources. Thus, last year's amount of 270,000 DM from the budget of Bosnia and Herzegovina allocated for the return of refugees and internally displaced in Bosnia and Herzegovina, has been increased to 1.4 million DM for this fiscal year.

In the same manner, the budgets of the Entity Governments have undergone similar adjustments in amounts allocated for these purposes for the current fiscal year.

Thus, the Republika Srpska will allocate 11 million DM while the Federation of Bosnia and Herzegovina will allocate 4.7 million DM for these purposes from their respective budgets for this year.

All the aforementioned indicates that the political environment is becoming more and more favourable for return, that in the past year significant political obstacles to the return have been removed and that many areas in Bosnia and Herzegovina have been opened to return. However, it is also indicative of the fact that the returns were not enhanced by adequate assistance, either from within Bosnia and Herzegovina or from the international community.

III. CURRENT SITUATION REGARDING THE RETURN OF REFUGEES AND INTERNALLY DISPLACED PERSONS

In the period from 1992 to the signing of the Dayton Peace Agreement, about 2,200,000 persons were displaced from their pre-war homes, a figure which represents over 50 per cent of the pre-war domicile population of Bosnia and Herzegovina.

Out of this number, about 1,170,000 persons sought refugee protection outside Bosnia and Herzegovina in over 100 countries all over the world, while, at the same time, around 1 million persons were internally displaced within the country.

In the region, Bosnia and Herzegovina is still the country with the largest number of refugees and, simultaneously, the country facing the largest challenge from internally displaced persons.

Today, close to 717,000 refugees from Bosnia and Herzegovina are still living in over 40 host countries, out of which the largest number are in the countries in the region (in the Federal Republic of Yugoslavia, about 205,000, in the Republic of Croatia, about 81,000) and in Europe (in Germany, around 45,000, in the Scandinavian countries around 88,000, as well as in Austria and in the Benelux countries, among others), with a large number of migrations to countries overseas (in the United States of America around 72,000, in Canada around 51,000, and in Australia around 22,000).

The number of refugees by host country is presented in chart I below.

Chart I. Numeric indicators of refugees from Bosnia and Herzegovina

No.	Host country	No. of refugees 1992-1995	No. of refugees 2000	Resolved status in the asylum country	Awaiting for permanent status	No. of returns to Bosnia and Herzegovina	Gone to third country
1.	Germany	320 000	45 000	15 000	30 000	221 000	37 000
2.	Federal Republic of Yugoslavia	277 000	205 000	5 000	200 000	28 000	44 000
3.	Austria	86 500	71 000	69 200	1 800	10 000	5 500
4.	Croatia	170 000	81 000	55 000	26 000	44 000	35 000
5.	Slovenia	43 100	4 900	3 700	1 200	14 500	23 200
6.	France	6 000	5 000	4 200	800	900	100
7.	Switzerland	24 500	12 000	4 564	7 436	10 144	2 600
8.	Italy	12 100	8 100	2 200	5 900	2 000	2 000
9.	Turkey	23 500	1 500	1 000	500	4 200	17 800
10.	Luxembourg	1 500	1 300	1 300	-	-	-
11.	Netherlands	22 000	25 000	7 500	17 500	3 500	2 000
12.	Belgium	5 000	5 500	3 000	2 500	500	-
13.	Liechtenstein	450	225	-	225	225	-
14.	Sweden	58 000	56 130	52 500	3 630	1 500	-
15.	Denmark	17 000	21 500	20 900	600	3 100	1 500
16.	Norway	12 000	11 450	11 450	-	2 500	1 300
17.	Finland	1 500	1 200	1 200	-	250	100
18.	Hungary	7 000	3 500	3 050	450	2 800	1 300
19.	Czech Republic	5 000	3 500	3 000	500	1 000	1 000
20.	Spain and Portugal	4 500	3 500	1 500	2 000	1 000	1 000
21.	The former Yugoslav Republic of Macedonia	9 000	300	200	100	3 700	2 600
22.	United States of America	20 000	71 500	71 500	-	1 500	6 000
23.	Canada	20 000	51 000	51 000	-	600	1 300
24.	Australia	15 000	22 000	22 000	-	800	-
25.	Greece	4 000	3 000	2 700	300	600	400
26.	United Kingdom of Great Britain and Northern Ireland	4 100	3 200	1 850	1 350	600	500
	Total	1 168 750	717 005	414 314	302 691	359 219	186 200

Even after the signing of the Dayton Peace Agreement, a large number of persons left Bosnia and Herzegovina. Host countries have also noted significant movements of refugees from Bosnia and Herzegovina at this time. Specifically, during the period from January 1996 to the present, under the auspices of the International Migration Organization, a total of 95,000 citizens of Bosnia and Herzegovina left former host countries and migrated to a third country. Most of them went, with the intention of permanently residing, to traditional immigrant overseas countries such as the United States of America (about 65,000), Canada (about 16,000) and Australia (about 7,000), but they also went to Denmark, Norway, Sweden, Finland and other developed and prosperous countries in Europe and worldwide.

Presently, out of the total number of refugees in the third countries, according to the estimates of the Ministry for the Civil Affairs and Communications of Bosnia and Herzegovina and UNHCR, close to 303,000 persons are still awaiting permanent resolution, meaning that they have not permanently resolved their status in the country of reception through citizenship relations, a permanent residence permit, temporary residence permit, asylum, work authorization or any other legal manner.

Out of this number of persons with no permanent status in the third countries, 70 per cent are located in the nearby countries in the region (the Federal Republic of Yugoslavia, the Republic of Croatia, the Republic of Slovenia and the former Yugoslav Republic of Macedonia), about 28 per cent are in the States Members of the European Union (most in Germany, Switzerland and Austria) and about 2 per cent are in other countries (overseas or others).

Based on the above, one can expect the following developments:

Out of 302,691 refugees that do not have permanent status in the host country, some 80,000 will integrate into the system of the host country, around 30,000 will migrate to a third country (the United States of America, Canada or Australia), while close to 200,000 persons will return to Bosnia and Herzegovina within a longer time-frame.

In addition to this large number of refugees from Bosnia and Herzegovina found the world over, we are also facing the issue of 809,500 internally displaced persons. Out of this number, 473,500 (58.5 per cent) are on the territory of the Federation of Bosnia and Herzegovina and 336,000 (41 per cent) are on the territory of the Republika Srpska.

Of the total number of internally displaced persons on the territory of the Federation of Bosnia and Herzegovina, 60 per cent are the displaced from the territory of the Republika Srpska and 40 per cent are internally displaced from within the territory of the Federation of Bosnia and Herzegovina.

An enormous burden for Bosnia and Herzegovina, and at the same time a political and social obstacle to the process of return in 1999, was receiving and providing for close to 70,000 refugees from the Federal Republic of Yugoslavia.

Currently, in Bosnia and Herzegovina, some 40,000 refugees from the Republic of Croatia, mainly located in the Republika Srpska (the Serbs from the Kninska Krajina), and some 20,000 refugees from the Federal Republic of Yugoslavia, 12,000 of them at the territory of the Federation of Bosnia and Herzegovina and 8,000 in the Republika Srpska, are being provided for.

IV. REVIEW OF REALIZED RETURNS

From the signing of the Dayton Peace Agreement to 1 January 2000, a total of 645,960 persons returned to Bosnia and Herzegovina. Of that number, 349,969 are refugees and 295,991 are internally displaced persons. Of the total number of returnees, 429,732 are Bosniaks, 87,979 are Croats, 124,408 are Serbs and 3,841 are the others.

The following chart contains the review of the return of refugees and internally displaced persons in Bosnia and Herzegovina.

Chart II. Bosnia and Herzegovina

Year	Refugees	Internally displaced persons	Total
1996	88 039	164 741	252 780
1997	120 280	58 295	178 575
1998	110 000	29 570	139 570
1999	31 650	43 385	75 035
Total	349 969	295 991	645 960

The return of internally displaced persons, in comparison to the return of refugees, has occurred at a much slower pace. During the period from the signing of the Dayton Peace Agreement to the present date, a total of 295,991 internally displaced persons returned to their pre-war homes, that is, some 46 per cent of the total number of returnees to Bosnia and Herzegovina.

A. The return of internally displaced persons

Out of the total number of returnees in Bosnia and Herzegovina, 205,448 persons, that is 69.5 per cent, returned to the territory of the Federation of Bosnia and Herzegovina, and 90,543 persons, or 30.5 per cent, to the territory of the Republika Srpska.

Chart III below contains a detailed review of realized returns of the refugees on the territory of Bosnia and Herzegovina, by the entities, the year of the return and the nationality of the returnees.

Chart III. Review of the return of internally displaced persons in Bosnia and Herzegovina from the signing of the Dayton Peace Agreement to 1 January 2000

Year	Nationality	Federation of Bosnia and Herzegovina	Republika Srpska	Total in Bosnia and Herzegovina
1996	Bosniaks	101 266	136	101 402
	Croats	447	58	505
	Serbs	1 179	61 613	62 792
	Others	21	21	42
Total		102 913	61 828	164 741
1997	Bosniaks	38 821	626	39 447
	Croats	10 163	28	10 191
	Serbs	3 971	4 481	8 452
	Others	205	0	205
Total		53 160	5 135	58 295
1998	Bosniaks	9 041	6 765	15 806
	Croats	4 040	285	4 325
	Serbs	6 059	3 080	9 139
	Others	300		300
Total		19 440	10 130	29 570
1999	Bosniaks	14 320	10 587	24 907
	Croats	5 747	1 013	6 760
	Serbs	9 649	1 666	11 315
	Others	219	184	403
Total		29 935	13 450	43 385
Total (Dayton Peace Agreement - 1/1/2000)		205 448	90 543	295 991

B. Return of refugees

As far as the return of refugees to Bosnia and Herzegovina, statistics indicate that out of the total number of 350,000 refugees that have returned to Bosnia and Herzegovina, for close to 50,000 of them the return was organized by

the authorities of Bosnia and Herzegovina and for close to 190,000 persons, the return was arranged or assisted either by the authorized international organizations (UNHCR, International Organization for Migration or others) or by the host country, while 110,000 refugees returned to Bosnia and Herzegovina on their own arrangement.

The review of the return of refugees is presented in chart IV below.

Chart IV. Review of the return of refugees to the territory of Bosnia and Herzegovina from the signing of the Dayton Peace Agreement to 1 January 2000

Year	Nationality	Federation of Bosnia and Herzegovina	Republika Srpska	Total in Bosnia and Herzegovina
1996	Bosniaks	76 385		76 385
	Croats	3 144		3 144
	Serbs	552	7 925	8 477
	Others	33		33
Total		80 114	7 925	88 039
1997	Bosniaks	74 552	204	74 756
	Croats	33 495	73	33 568
	Serbs	2 849	8 287	11 136
	Others	754	66	820
Total		111 650	8 630	120 280
1998	Bosniaks	77 310	1 279	78 589
	Croats	22 930	257	23 187
	Serbs	4 307	2 458	6 765
	Others	1 453	6	1 459
Total		106 000	4 000	110 000

Year	Nationality	Federation of Bosnia and Herzegovina	Republika Srpska	Total in Bosnia and Herzegovina
1999	Bosniaks	17 359	1 081	18 440
	Croats	5 960	339	6 299
	Serbs	4 370	1 962	6 332
	Others	491	88	579
Total		28 180	3 470	31 650
Total (Dayton Peace Agreement - 1/1/2000)		325 944	24 025	349 969

From the above charts containing data on the return of refugees and internally displaced persons, one can clearly see that the expected results have not yet been achieved. Analysing the reasons for this, one can conclude that the slow pace of the returns was primarily the result of the impact of the following factors:

1. During the period 1996-1998, the so-called majority return process was mainly completed with the so-called minority return pending and to be completed in 1999 and in the following years;

2. The return process has not been enhanced by the provision of material and financial prerequisites, neither by the State authorities nor by the international community, as was necessary;

3. The influx of a large number of the refugees from the Federal Republic of Yugoslavia to Bosnia and Herzegovina, particularly from 24 March 1999, has significantly affected the process of the return, especially that of minorities.

We consider that the above factors have inflicted great damage to the planned process of the return, even more so since the political circumstances at the projected period of return in 1999 were much more favourable than during the period of 1996-1999, when a considerably larger number of the returns was noted.

V. MINORITY RETURNS

From the signing of the Dayton Peace Agreement to the present date, 127,721 so-called minority returns have been realized, representing 19.8 per cent of the total number of returns.

Of this number, 104,990 persons (26,008 Bosniaks, 46,046 Croats and 32,936 Serbs) returned to the territory of the Federation of Bosnia and Herzegovina, representing 81.9 per cent of the total number of minority returns.

In the second half of 1999, owing to a favourable political environment in the Republika Srpska, significant progress was made in the area of realized minority returns, resulting in an actual number of minority returns to the Republika Srpska of close to 25,000, out of which 13,020 were registered returns.

During the same period, 22,731 persons (20,678 Bosniaks and 2,053 Croats), that is, 18.1 per cent of the total number of minority returns, have returned to the territory of the Republika Srpska.

Review of minority returns categorized by year, nationality and entity of Bosnia and Herzegovina is contained in the following chart V below.

Chart V. Minority returns in the territory of Bosnia and Herzegovina from the signing of the Dayton Peace Agreement to 1 January 2000

Year	Nationality	Federation of Bosnia and Herzegovina	Republika Srpska	Total in Bosnia and Herzegovina
1996-1997	Bosniaks	11 200	966	12 166
	Croats	24 647	159	24 806
	Serbs	8 551		8 551
Total		44 398	1 125	45 523
1998	Bosniaks	9 177	8 044	17 221
	Croats	13 062	542	13 604
	Serbs	10 366		10 366
Total		32 605	8 586	41 191
1999	Bosniaks	5 631	11 668	17 229
	Croats	8 337	1 352	9 686
	Serbs	14 019		14 019
Total		27 987	13 020	41 007
Total (Dayton Peace Agreement - 1/1/2000)		104 990	22 731	127 721

Annexed to the present report are charts of minority returns in Bosnia and Herzegovina and in its entities by year, municipality and city, urban areas where returns occurred and nationality of the returnees (see enclosure II).

Minority returns to Brcko

From the time of the opening of Brcko to returns to 1 January 2000, 5,182 returns were realized (Brcko, Canton 9 Tuzla - 2,281 returns, Brcko, separation zone - 2,901 returns). Compared to the total number of return applications for Brcko, up until now some 12 per cent of returns have been realized. We cannot be satisfied with this, for, in addition to a meagre level of realization of the return to Brcko, such a low rate of returns to Brcko also slows down the process of "emptying" the Federation for two-way returns.

The pace of return to Brcko up to 1998 was temporarily slowed down owing to the activities on the elaboration and adoption of the District of Brcko statute, which is supposed to contribute to the intensifying of return to Brcko. By the end of 1999, through the establishment of the multi-ethnic Housing Commission, first steps were made in the direction of removing illegal users and returning property to lawful owners.

VI. COMMISSION FOR REAL PROPERTY CLAIMS

The Commission for Real Property Claims of Internally Displaced Persons and Refugees was established in March 1996, pursuant to annex 7 of the Dayton Peace Agreement for Bosnia and Herzegovina as an independent body consisting of the three members representing the international community and six members representing the nations of Bosnia and Herzegovina. The national representatives were appointed by the Federation of Bosnia and Herzegovina (four) and by the Republika Srpska (two).

The primary objective of the Commission for Real Property Claims is to establish a legal ownership system that would, once functional, contribute to the creation of a stable and economically independent Bosnia and Herzegovina.

The Commission for Real Property Claims is mandated to accept and resolve the real property claims in Bosnia and Herzegovina if a person is not in possession of his/her property and if the property has not been sold or in some other way legally transferred since 1 April 1992.

The Commission for Real Property Claims is authorized to reach final and legally binding decisions in cases of real property claims and tenants' rights and its decisions must be respected by both entities.

The Commission for Real Property Claims has eight regional offices in Bosnia and Herzegovina, five in the Federal Republic of Yugoslavia, two in the Republic of Croatia, four in the Netherlands and one in Denmark.

The Commission for Real Property Claims also represents a valuable source of data on the rights of internally displaced persons and refugees relating to their real property in Bosnia and Herzegovina. The data will be used in the process of elaboration of return programmes.

During the period from April 1996 to the end of January 2000, the Commission for Real Property Claims received 197,191 claims pertaining to 251,619 properties in Bosnia and Herzegovina and it has reached close to 80,000 decisions.

Enclosure II

MINORITY RETURNS FROM 1/1/1996 TO 31/12/1999 IN BOSNIA AND HERZEGOVINA

F EDERATION :

CANTON 1: UNA-SANA	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Bihac		44	68	112		27	267	294		24	393	417		95	728	823
Bosanska Krupa			9	9		5	73	78			177	177		5	259	264
Bosanski Petrovac		59	62	121		3	227	230		5	885	890		67	1.174	1.241
Buzim							1	1							1	1
Cazin		1		1		2	1	3						3	1	4
Kljuc		21	14	35		3	19	22		2	70	72		26	103	129
Sanski Most		840	95	935		14	244	258		11	85	96		865	424	1.289
Velika Kladusa		5	4	9		2	28	30		1	22	23		8	54	62
Total:		970	252	1.222		56	860	916		43	1.632	1.675		1.069	2.744	3.813

CANTON 2: POSAVINA	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Domaljevac	95		29	124			19	19	7		2	9	102		50	152
Odzak	5.992		12	6.004	743		3	746			15	15	6.735		30	6.765
Orasje	69			69	109		20	129	4		48	52	182		68	250
Total:	6.156		41	6.197	852		42	894	11		65	76	7.019		148	7.167

CANTON 3: TUZLA	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Banovici		114	55	169		2		2		8	36	44		124	91	215
Brcko		2.281		2.281		257	37	294		4	3	7		2.542	40	2.582
Celic							168	168		109	101	210		109	269	378
Doboj East											4	4			4	4
Gradacac		48	4	52		43	3	46		49	85	134		140	92	232
Kalesija		21		21		4		4			17	17		25	17	42
Lukavac			600	600		12	2	14			761	761		12	1.363	1.375
Srebrenik		7		7										7		7
Tuzla		5	11	16		102	276	378		354	203	557		461	490	951
Teocak						3	2	5						3	2	5
Sapna/Zvornik										3		3		3		3
Zivinice			1	1		6		6		10	12	22		16	13	29
Total:		2.476	671	3.147		429	488	917		537	1.222	1.759		3.442	2.381	5.823

/...

CANTON 4: ZENICA-DOBOJ	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Breza		26	15	41		66	36	102		5	6	11		97	57	154
Doboj South						13	11	24						13	11	24
Kakanj		300	57	357		818	20	838		235	3	238		1 353	80	1 433
Maglaj		2	6	8		19	5	24		11	8	19		32	19	51
Olovo							3	3		4	2	6		4	5	9
Tesanj		18	2	20		8		8						26	2	28
Usora							4	4	8			8	8		4	12
Vares		2.036	14	2.050	7	1 097	46	1 150	6	286	25	317	13	3 419	85	3.517
Visoko		4	1	5		65	35	100		25	53	78		94	89	183
Zavidovici		14	50	64		341	12	353		262	59	321		617	121	738
Zenica		2 006	1 008	3.014		206	68	274		246	180	426		2 458	1 256	3 714
Zepce					723	251		974	30	44	57	131	753	295	57	1 105
Total:		4.406	1.153	5.559	730	2.884	240	3.854	44	1.118	393	1.555	774	8.408	1.786	10.968

CANTON 5: BOSNIA-PODRINJE	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Foca			5	5			30	30			2	2			37	37
Gorazde		3	17	20		1	70	71		2	38	40		6	125	131
Pale							20	20			3	3			23	23
Total:		3	22	25		1	120	121		2	43	45		6	185	191

CANTON 6: CENTRAL BOSNIA	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Bugojno		800		800		1 869	55	1 924		1 406	152	1 558		4 075	207	4 282
Busovaca	164			164	366	40		406	473	72	11	556	1 003	112	11	1 126
Donji Vakuf		42	20	62		81	10	91		39	36	75		162	66	228
Fojnica		365		365		366	2	368		886	6	892		1 617	8	1 625
Gornji Vakuf		1	5	6	5			5	42	283		325	47	284	5	336
Jajce	2 591			2 591	3 383			3 383	1 120	10	13	1 143	7 094	10	13	7 117
Kiseljak			11	11	541	10	24	575	1 512	83	23	1 618	2 053	93	58	2 204
Kresevo	4	97		101	160	40		200	391	23	1	415	555	160	1	716
Novi Travnik			1	1	9	48		57	322	44	33	399	331	92	34	457
Travnik	14	1 777	12	1 803		1 190	39	1 229	20	558	117	695	34	3 525	168	3 727
Vitez					585	15	1	601	598	104		702	1 183	119	1	1 303
Total:	2 773	3 082	49	5 904	5 049	3 659	131	8 839	4 478	3 508	392	8 378	12 300	10 249	572	23 121

CANTON 7: HERZEGOVINA-NERETVA	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Caplijina					265		205	470	120		70	190	385		275	660
Jablanica		20		20			2	2			6	6		20	8	28
Konjic		319	39	358		692	112	804		107	29	136		1 118	180	1 298
Mostar East		49	93	142		184	500	684		77	337	414		310	930	1 240
Mostar West			2	2	520		289	809	176		166	342	696		457	1 153
Neum					30		10	40	20			20	50		10	60
Prozor	568			568	418		5	423	470			470	1 456		5	1 461
Ravno											50	50			50	50
Stolac	278			278	526		19	545	185		269	454	989		288	1 277
Total:	846	388	134	1.368	1.759	876	1.142	3.777	971	184	927	2.082	3.576	1.448	2.203	7.227

CANTON 8: WEST HERZEGOVINA	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Ljubuski	40			40	395		5	400	90			90	525	*	5	530
Total	40			40	395		5	400	90			90	525		5	530

CANTON 9: SARAJEVO	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Centar						588	583	1.171		350	900	1.250		938	1 483	2.421
Hadzici						280	224	504		70	200	270		350	424	774
Ilidza						1 029	329	1 358		600	1 000	1 600		1 629	1 329	2 958
Ilijas						402	102	504		100	300	400		502	402	904
Novi Grad						1 654	2 164	3 818		1 020	2 200	3 220		2.674	4 364	7 038
Novo Sarajevo						664	363	1 027		650	900	1 550		1.314	1.263	2.577
Stari Grad						136	162	298		50	200	250		186	362	548
Trnovo						20	10	30		5	45	50		25	55	80
Vogosca						384	300	684		100	700	800		484	1 000	1 484
Total:		13 322	5 633	18.955		5 157	4 237	9.394		2.945	6 445	9.390		21.424	16.315	37.739

CANTON 10: HERZEG-BOSNIA	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Bosansko Grahovo			34	34			816	816			1 174	1 174			2 024	2 024
Drvar	3		538	541	32		2 253	2 285			1 577	1 577	35		4 368	4 403
Glamoc	500		20	520	236		22	258	15		127	142	751		169	920
Kupres					3		10	13	22		2	24	25		12	37
Livno	873		4	877	20			20			20	20	893		24	917
Tomislavgrad	9			9	101			101					110			110

Total:	1 385		596	1 981	392		3 101	3 493	37		2 900	2 937	1 814		6 597	8 411

	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Total FEDERATION :	11 200	24 647	8 551	**44 398**	9 177	13 062	10 366	**32 605**	5 631	8 337	14 019	**27 987**	**26 008**	**46 046**	**32 936**	**104 990**

	1996 - 1997				1998				1999				1996 - 1999			
REPUBLIKA SRPSKA :	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Banja Luka	186	26		212	358	104		462	303	160		463	847	290		1 137
Berkovici					12			12	60			60	72			72
Bijeljina					4			4	500			500	504			504
Brcko (Zone of separation)					2 600			2 600					2 600			2 600
Cajnice									50			50	50			50
Celinac					3			3	128			128	131			131
Derventa					28	2		30	339	28		367	367	30		397
Doboj	66	79		145	1 260	5		1 265	1 841	23		1 864	3 167	107		3 274
Gacko									32			32	32			32
Gradiska	13	3		16	601	1		602	454			454	1 068	4		1 072
Knezevo									48	5		53	48	5		53
Kotor Varos	13	5		18	274	13		287	378			378	665	18		683
Kozarska Dubica	11			11	45			45	130			130	186			186
Laktasi		12		12	4	51		55	6	15		21	10	78		88
Lopare	6			6					160			160	166			166
Milici									1			1	1			1
Modrica		3		3					101	7		108	101	10		111
Mrkonjic Grad	52			52	198			198	100	38		138	350	38		388
Nevesinje									168	3		171	168	3		171
Novi Grad	24			24	7			7	678			678	709			709
Orasje										65		65		65		65
Osmaci	489			489	80			80	420			420	989			989
Pale						1		1	18			18	18	1		19
Pelagicevo						44		44		738		738		782		782
Prijedor	32	4		36	47	27		74	1 786	39		1 825	1 865	70		1 935
Prnjavor					67	50		117	139			139	206	50		256
Ribnik		19		19										19		19
Samac					8	236		244	22	10		32	30	246		276
Sekovici									1			1	1			1
Sipovo	30			30	387			387					417			417
Sokolac									36			36	36			36

Srbac	40			40	195			195	10			10	245			245
Srpska Kostajnica	2			2	7			7	64			64	73			73
Srpski Brod		7		7	5	8		13	368	15		383	373	30		403
Srpski Sanski Most										82		82		82		82
Srpsko Gorazde					25			25					25			25
Teslic	1	1		2	1 280			1.280	442	58		500	1 723	59		1 782
Trebinje	1			1					12			12	13			13
Ugljevik					86			86	204			204	290			290
Vlasenica									22			22	22			22
Vukosavlje									290	66		356	290	66		356
Zvornik					463			463	2 357			2.357	2 820			2 820
Total REPUBLIKA SRPSKA :	966	159		1 125	8 044	542		8.586	11.668	1.352		13.020	20.678	2.053		22.731

	1996 - 1997				1998				1999				1996 - 1999			
	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total	Bos	Cro	Ser	Total
Total BOSNIA AND HERZEGOVINA:	12.166	24.806	8.551	45.523	17.221	13.604	10.366	41.191	17.299	9.689	14.019	41.007	46.686	48.099	32.936	127.721

Source: UNHCR, Municipal Authorities, DPs Associations and NGOs

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/2000/212
13 March 2000
ENGLISH
ORIGINAL: ARABIC

LETTER DATED 12 MARCH 2000 FROM THE PERMANENT REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

On instructions from my Government and with reference to the summary statement by the Secretary-General on matters of which the Security Council is seized and on the stage reached in their consideration (S/2000/40), I have the honour to inform you that the Republic of Iraq requests the retention of the following items listed in paragraph 12 of the document in question:

1. Item 12, entitled "Complaint by Iraq concerning incidents on its frontier with Iran". The reason for requesting retention of this item is that Iranian attacks on Iraq's borders are still continuing and Iraq keeps the Council informed of them on a periodic basis.

2. Item 21, entitled "Complaint by Iraq". This concerns the 1981 Israeli aggression against the Iraqi nuclear reactor dedicated to peaceful uses. In its resolution 487 (1981), the Council strongly condemns this attack and calls upon Israel to refrain in the future from any such acts or threats thereof and to place its nuclear facilities under International Atomic Energy Agency safeguards, among other measures. The requirements of this resolution have yet to be met.

3. All of the items relating to the question of Palestine and the exercise by the Palestinian people of its inalienable rights.

I should be grateful if you would have this letter circulated as a document of the Security Council.

(Signed) Saeed H. HASAN
Ambassador
Permanent Representative

00-34122 (E) 140300 140300

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/2000/213
14 March 2000

ORIGINAL: ENGLISH

NOTE BY THE SECRETARY-GENERAL

1. At its 76th plenary meeting, on 9 December 1999, the General Assembly adopted resolution 54/107, entitled "Implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions".

2. In paragraphs 1 and 2 of the resolution, the General Assembly:

> "1. [Renewed] its invitation to the Security Council to consider the establishment of further mechanisms or procedures, as appropriate, for consultations as early as possible under Article 50 of the Charter of the United Nations with third States which are or may be confronted with special economic problems arising from the carrying out of preventive or enforcement measures imposed by the Council under Chapter VII of the Charter, with regard to a solution of those problems, including appropriate ways and means for increasing the effectiveness of its methods and procedures applied in the consideration of requests by the affected States for assistance;
>
> "2. [Welcomed] once again the further measures taken by the Security Council since the adoption of General Assembly resolution 50/51, most recently the note by the President of the Security Council of 29 January 1999 (S/1999/92) aimed at improving the work of the sanctions committees, including increasing the effectiveness and transparency of the sanctions committees, invites the Council to implement those measures, and strongly recommends that the Council continue its efforts to further enhance the functioning of the sanctions committees, to streamline their working procedures and to facilitate access to them by representatives of States that find themselves confronted with special economic problems arising from the carrying out of sanctions".

00-34357 (E) 140300

UNITED NATIONS **S**

Security Council

Distr.
GENERAL

S/2000/214
14 March 2000

ORIGINAL: ENGLISH

INTERIM REPORT OF THE SECRETARY-GENERAL ON THE SITUATION IN TAJIKISTAN

I. INTRODUCTION

1. The present report is submitted pursuant to Security Council resolution 1274 (1999) of 12 November 1999. It brings up to date developments in Tajikistan and the activities of the United Nations Mission of Observers in Tajikistan (UNMOT) since the last report of 4 November 1999 (S/1999/1127).

II. MAIN DEVELOPMENTS

2. At the time of my last report, the United Tajik Opposition (UTO) had suspended its participation in the Commission on National Reconciliation (CNR) and threatened to boycott the presidential election over the handling of the registration of opposition candidates. At the suggestion of Ivo Petrov, my Special Representative, the CNR had established a working group to resolve these issues. On 5 November, the eve of the presidential election, President Rakhmonov and UTO leader Nuri signed a 22-point protocol on political guarantees for the preparation and conduct of the election to the parliament. The presidential election was held on 6 November, as scheduled, with UTO participation. President Rakhmonov was re-elected for a seven-year term. On 8 November, the UTO resumed its participation in the CNR.

3. The CNR immediately took up the draft electoral law. The two most contentious issues were the number of seats in the lower house of the parliament, and the timing of the local elections, which have an impact on the composition of the upper house. Backed by the Contact Group of Guarantor States and International Organizations, UNMOT worked closely with the CNR, proposing compromise solutions to overcome deadlocks. The Organization for Security and Cooperation in Europe (OSCE) Mission in Dushanbe was also active in this matter.

4. On 3 December, President Rakhmonov and Mr. Nuri reached an agreement that the Assembly of Representatives (lower house) would comprise 63 seats and the National Assembly (upper house) 33 seats. It was also agreed that the local elections would be conducted simultaneously with the election to the Assembly of Representatives. On 10 December, the new electoral law was adopted by parliament.

5. From 14 to 17 December, the third joint assessment mission of the United Nations and OSCE visited Tajikistan to determine whether the overall legislative, administrative and political framework for the election met standards that would allow the two organizations to observe the election. The mission found a number of shortcomings in the electoral law. For instance, no provision was made for independent domestic observers, while party observers could raise questions only with the approval of the election commission chairman; no deadline was set for the withdrawal of a candidacy, leaving room for pressure on candidates to withdraw at the last minute; the provisions for equal access to the media were not sufficiently precise. In addition, the Central Commission on Elections and Referenda (CCER) had not issued regulations on the implementation of the electoral law, and no written instructions had been given to the lower election commissions. However, the joint mission also found a level of political pluralism, in that the election would be contested by several political groupings. It therefore recommended that, despite shortcomings in the electoral environment, the United Nations and OSCE should deploy a joint observation mission, which could have a positive impact on strengthening the element of pluralism.

6. In accordance with this recommendation, the United Nations and OSCE deployed the Joint Electoral Observation Mission (JEOM), in the hope that the engagement of the two organizations in the country's first multi-party election would serve to promote democratic principles. The two organizations agreed that the JEOM would base its assessment on the document adopted at the Copenhagen Meeting of the Conference on the Human Dimension of CSCE in 1990 (the Copenhagen Document), to which Tajikistan, as a participating State of OSCE, has committed itself.

7. The JEOM arrived in Tajikistan in January and February 2000, comprising 10 core staff and 13 observers from OSCE, and 5 electoral experts from the United Nations. UNMOT provided logistic support and premises through its four field offices in Khorog, Khujand, Kulyab and Kurgan-Tyube and a temporary electoral office in Garm. UNMOT's military observers provided communications back-up and liaison with the local authorities on security matters. On polling day, the JEOM deployed 86 short-term observers drawn from among the international organizations present in Tajikistan. The short-term observers visited some 300 of the 2,761 polling stations and also observed the counting of the votes and tabulation of the results.

8. The security situation deteriorated during the electoral campaign. There were a number of violent incidents, the most serious of which occurred on 16 February when a bomb exploded in the car of the Mayor of Dushanbe. The Mayor was injured and a candidate of the ruling People's Democratic Party who was riding with him was killed. Although not all of the incidents reported were attributable to the election, they contributed to an atmosphere of insecurity.

9. The registration of candidates was completed on 6 February. A total of 331 candidates were registered to contest the 63 seats in the lower house. Two thirds (223), both members of political parties and

of five candidates. The ballot was held on 27 February, without serious incident.

10. On 28 February, the JEOM issued its preliminary findings and conclusions. It noted the significance of the inclusion of former warring parties and others in the electoral process and the fact that Tajikistan had held its first multi-party election in an atmosphere free of violence. However, it also pointed out that the election did not meet the minimum standards. It listed weaknesses in the legislation, which failed, among other things, to ensure the independence of the election administration commission, and the minimum level of transparency during voter registration, printing of ballots, tabulation, announcement, and publication of the results. On polling day, there was a high rate of proxy voting in more than 68 per cent of the precincts observed and voters were allowed to cast ballots without proper identification documents in 67 per cent of those precincts.

11. On 1 March, the CCER announced the preliminary results of the first round of the election. According to the Commission, 93.23 per cent of voters cast their ballot; the ruling People's Democratic Party won 33 seats, 18 by direct election and 15 through its list; the Communist Party won 7 seats, 2 by direct election and 5 through its list; the Islamic Revival Party won 2 seats, both through its list. Independent candidates won in eight constituencies, but two were declared invalid, requiring a new vote that is to be held at the end of April. In 12 constituencies, where no candidate received a majority of the vote, a run-off election was held on 12 March. According to results announced by the CCER, the ruling People's Democratic Party won in seven constituencies; in respect of the remaining five constituencies, three went to independents, and the results for the last two were not yet available at the time this report was finalized. The Socialist Party, the Democratic Party, and the Party of Justice did not reach the threshold of 5 per cent of the votes required to win a seat in parliament.

12. The election to the 33-seat National Assembly (upper house) is scheduled to take place on 23 March. The National Assembly is made up of regional representatives, 25 of them elected by local assemblies, and 8 deputies appointed by the President.

Reintegration of former opposition fighters

13. In the period between 16 November 1999 and 5 February 2000, UNMOT carried out 34 visits to reintegrated units of former opposition fighters, either independently or together with members of the CNR military subcommission and representatives of the department concerned (Ministry of Defence, Ministry of the Interior or the State Border Protection Committee). Many units complained of non-payment of salaries, lack of food and equipment (including uniforms) and inadequate accommodation. They also complained that they had received no instructions, training or visits from their superior headquarters.

14. Work in the job creation projects for former fighters in the Karategin valley was interrupted in November by the onset of winter. It will be resumed

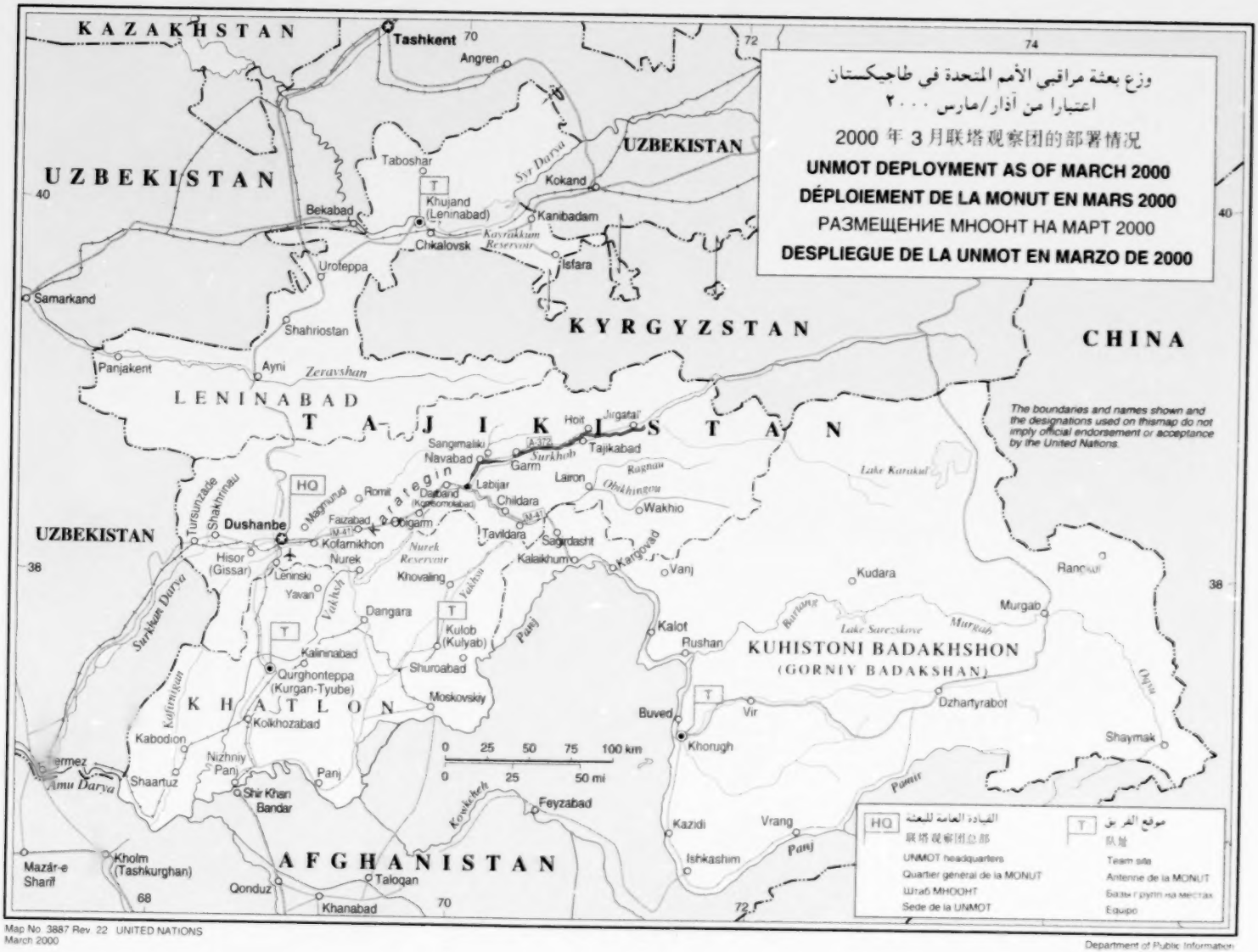
III. OBSERVATIONS

15. With the holding of the first multi-party parliamentary election in Tajikistan, the transition period envisaged in the General Agreement on the Establishment of Peace and National Accord in Tajikistan (S/1997/510) is coming to a close and thus so is the process that UNMOT was set up to support. This marks a significant achievement. After years of fighting, the transition was difficult and threatened by several serious crises. Nevertheless, the Tajik parties managed to overcome the obstacles and put their country on the path to national reconciliation and democracy.

16. The United Nations has played an important part in this success. The General Agreement was reached under its auspices and with its active involvement, and UNMOT, supported by the Contact Group, was instrumental in ensuring the implementation of its provisions. In difficult and often dangerous conditions, the mission has fulfilled its tasks well. I intend to withdraw UNMOT when its mandate expires on 15 May. The military observers are gradually being drawn down.

17. While there is cause for satisfaction at the overall success of the mission, there can be no doubt that much remains still to be done. As the recent elections have shown, the move towards a stable democracy has only just begun, and it is important for the international community to stay engaged and continue to provide assistance. Similarly, there are still too many men under arms for a country that is at peace; more should be encouraged and helped to return to civilian life. As the United Nations projects in the Karategin valley show, much can be achieved in this regard with relatively modest means.

18. I am currently consulting with the Government of Tajikistan about a possible role for the United Nations in the period of post-conflict peace-building and consolidation. This role would be performed by a small office similar to those established in other countries that have gone through violent conflicts. I shall inform the Security Council about the outcome of these consultations.



Map No. 3887 Rev. 22 UNITED NATIONS
March 2000

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